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## NEWS SUMMARY

### GENERAL

## Optimism shown for Gibraltar agreement

Britain and Spain expressed cautious optimism that their Lisbon Agreement on Gibraltar could be implemented in the not too distant future. The move follows an informal meeting in Madrid between Foreign Ministers Lord Carrington and Sr Jose Pedro Perez Llorca.

The agreement, signed in April 1980, envisaged reopening Spain's frontier with the British colony in return for a UK commitment to negotiate all contentious issues surrounding the Rock's future. Page 2

### Lib-SDP conflict

The Association of Liberal Councillors told Liberal activists that if the Social Democratic Party tried to intervene in Liberally-held wards the new party should be "smashed into the ground." Back Page

### Nuclear advice

President Reagan interrupted his holiday to discuss with national security advisers ways of overhauling the U.S. nuclear arsenal. Reagan's mood on the MX, Page 13

### Hijack boat 'seen'

Morocco's news agency reported claims that the Iranian missile patrol-boat hijacked last Thursday had forced Casablanca authorities to provide fuel, food and water, probably on Saturday, and then left.

### Four die in fire

Home Office scientists, police experts and gas engineers examined the remains of a house destroyed by explosions and fire at Walton on the Naze, Essex, in which a mother and three children died.

### Search widens

The search for Co. Antrim schoolgirl Jennifer Cardy, nine, missing since taking a short bicycle ride last Wednesday, was widened to the UK.

### Bosie no bankrupt

The 1913 bankruptcy of the late Lord Alfred Douglas—Bosie to his friend Oscar Wilde—was annulled at a London Bankruptcy Court private hearing on application by Lord Alfred's executor Edward Colman. Payment in full of just over £2,000 came from book royalties.

### Barefoot death

A 23-year-old man water-skiing barefoot at 109 mph (175 kph) in an attempt on a world record lost balance, turned about eight cartwheels and died at Long Beach, California.

### One oar only

Plymouth seaman Bill Neal crossed the English Channel from Dover to Cap Gris Nez in a bath, registered with Lloyd's as an ocean-going craft to evade French restrictions, in 13 hours 29 mins. He used one oar.

### Aden talks

The leaders of the pro-Soviet Union states Libya, Ethiopia and South Yemen met in Aden to discuss forging a closer alliance against Western policy in the Indian Ocean and the Gulf.

### Manchester probe

Greater Manchester county council's inquiry into July's Moss Side disorders was told police harassment caused the riots and that a white man distributed petrol-bombs from a van. Page 6

### England's Ashes

England beat Australia by 103 runs in the 5th Cornhill Insurance Test at Old Trafford and retained the Ashes. England 231 and 404, Australia 130 and 402. Picture, Page 6

### BUSINESS

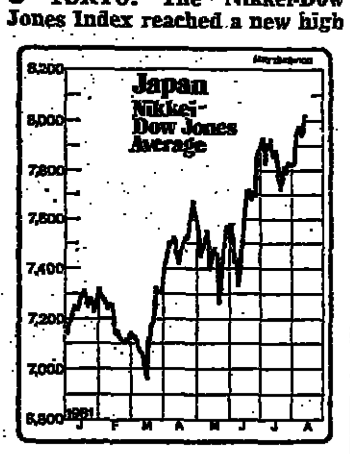
## Dollar easier; peak for Tokyo

● DOLLAR showed an easier trend. Its trade-weighted index fell to 112.9, from 113.7. It weakened to DM 2.4920 (DM 2.5250), SwFr 2.1680 (SwFr 2.1850) and Y228.75 (Y233.73). Page 19

● STERLING rose 1.75 cents, finishing at \$1.8225. It slipped to DM 4.5425 (DM 4.56), but was up to SwFr 3.9550 (SwFr 3.9450). Its trade-weighted index rose to 91.3 (90.9)

● GOLD fell \$2 to \$412. Page 19

● TOKYO: The Nikkei-Dow Jones Index reached a new high



after breaking the 8,000 level. It closed at 8,019.14 for a 42.74 gain on the day. Page 22

● GILTS started quietly firm; interest quickened after sterling's rise and the Government Securities index added 0.33 to 65.24. Page 24

● EQUITY leaders' values retreated, but secondary industrials held improved early levels. The FT 30-share index rose 0.4 to 572.9, and the FT-Actuaries All-share index gained 0.1 per cent to a new all-time high of 338.64. Page 24

● WALL STREET was down 7.42 at 929.51 near the close. Page 22

● PERKINS, the UK diesel engine maker, is to spend £10m increasing production capacity at its Peterborough plant. Page 5

● RETAIL SALES last month fell back from their high June level. Page 6

● UK PROCESS INDUSTRIES are expected to spend £16bn on capital projects over the next three years. Page 6

● FAIR TRADING Office plans to take court action over two secret price-fixing agreements made by steel roll manufacturing companies in the UK and Europe. Page 6

● ARGOS discount stores chain has given the Office of Fair Trading new information about companies still refusing to supply it with branded consumer goods. Page 6

● OXLEY PRINTING Group, which employs 1,540 people in 13 offices throughout the UK, has been put into receivership. Back Page

● HOECHST, the West German chemicals company, reports first-half pre-tax profits down to DM 702m (£154.5m) from DM 907m a year earlier. Page 21

● ROYAL INSURANCE reports world-wide undertaking losses up from £15.6m to £30.6m in the first half of 1981. Page 14; Lex, Back Page

● VIBROPLANT Holdings, plant hirer, finished the year to end March with pre-tax profits down from £3.82m to £1.92m. Page 14

● HORIZON TRAVEL expanded pre-tax profits from £539,966 to £650,793 in the half-year to end May. Page 14

● GUTHRIE, the plantations group, is to make a \$68m (£38m) offer for Page Airways, of Rochester, New York. Page 16; Lex, Back Page

### CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

**RISES**

| | | |
|---|---|---|
| Treas. 8½pc 1982 | £95[illegible] | + [illegible] |
| Treas. 13pc 1990 | £94[illegible] | + [illegible] |
| Bowater | 271 | + 7 |
| Bowthorpe | 197 | + 5 |
| Bunzl Pulp | 144 | + 7 |
| Chemring | 250 | + 7 |
| Crystalate | 94 | + 4½ |
| Equity & Law | 424 | + 20 |
| Fairclough | 128 | + 7 |
| Fothergill & Harvey | 176 | + 7 |
| Heron Motor | 30 | + 5 |
| Letraset | 123 | + 6 |
| London & Man. Ass. | 304 | + 10 |
| Lotus Car | 34 | + 5 |
| Macpherson (D.) | 69 | + 4 |
| Martonair | 253 | + 5 |
| Paterson (R.) | 88 | + 6 |
| Powell Duffryn | 272 | + 14 |
| Provident Life | 330 | + 114 |
| Reckitt & Colman | 292 | + 12 |
| Rediffusion | 204 | + 7 |
| Refuge Assurance | 266 | + 10 |
| Royal Insurance | 417 | + 5 |
| Security Centres | 122 | + 8 |
| Smiths Inds. | 385 | + 13 |
| Unilever | 625 | + 15 |
| Vibroplant | 220 | + 5 |
| Wiggins Constr. | 80 | + 5 |
| Anglo Utd. Devs. | 95 | + 8 |
| Cons. Murchison | 300 | + 35 |
| Geevor Tin | 157 | + 7 |
| New Wit. | 248 | + 12 |
| Northgate Expln. | 490 | + 90 |
| Westfield Minerals | 110 | + 15 |

**FALLS**

| | | |
|---|---|---|
| Herrburger Brooks | 55 | − 5 |
| Horizon Travel | 287 | − 7 |
| Warren Plantn. | 200 | − 7 |
| Central Pac. Minrls. | 70 | − 8 |
| Paringa | 78 | − 10 |
| RTZ | 605 | − 28 |

# Venezuela resists Saudi pressure to lower its oil prices

BY RICHARD JOHNS

VENEZUELA emerged yesterday as the strongest opponent to any reduction in its oil price when oil ministers of the Organisation of Petroleum Exporting Countries met in Geneva.

At the start of a week of bargaining among the Opec states, Sheikh Ahmed Zaki Yamani, Saudi Arabia's Oil Minister, remains confident, however, that a unified price structure can be agred at the full emergency Opec meeting tomorrow.

Sr Humberto Calderon Berti, Venezuelan Minister of Mines and Hydrocarbons, suggested yesterday that the way to agreement would require a basic price reference of \$34-\$36—on the face of it a compromise unacceptable to Saudi Arabia—or a continuation of the multi-tier system which has operated for the past two and a half years.

He said: "I would accept \$36 for unification. That's good for me."

Saudi Arabia hopes to clinch re-unification of the Opec pricing system and bring down the average price by cutting the upper limit for the premium crudes of the African producers—Algeria, Libya and Nigeria—from \$41 to \$37.

Hopes of an agreement on prices have been raised by the severe difficulties experienced by Libya and Nigeria whose exports have dropped to almost a third of the end-1980 level.

Under such an agreement Saudi Arabia would raise its reference price for Arabian light—the traditional "bench mark" crude—from \$32 to \$34, and other members would lower their own.

Saudi Arabia would then reduce its production although it is reluctant to make any commitment until a stabilisation of prices is certain.

Venezuela's exports have been unaffected either by Saudi Arabia's high output — which now accounts for about half total Opec output — or by the slump in demand caused by the escalation o prices in 1979-80.

Venezuelan output has been 1.8m barrels a day, according to Sr Calderon, since the decision by ten members of Opec here in May to reduce output by 10 per cent. Saudi Arabian output recently has stood at 10.3m barrels a day.

Most other members of Opec appear to favour a compromise on oil prices which would bring back customers. They are also aware that the rise in the dollar, in which oil prices are denominated, has led to an increase of about 15 per cent in the purchasing power of their oil revenues since the beginning of the year.

Iraq and Iran, once the most influential Opec states after Saudi Arabia, have both had their oil exports severely curtailed by war. Given their current need for increased oil revenues, and their desire to attract more customers, they are unlikely to resist Sheikh Yamani's efforts to re-unify prices.

Tomorrow's meeting still only has consultative status. It will take a majority of ten of the 13 members of Opec to turn it into an extraordinary conference mandated to change oil prices. But Nigeria and Libya have already implied to their customers that they will reduce their prices.

Indonesia, like Venezuela, has not been hit by the high Saudi production and the world recession. Dr Subroto, Indonesia's chief delegate, says he is happy with the present situation. "I sell at \$35. No problem at all."

That price for his country's top grade is based, however, on the middle range of \$34.

**Kuwait may soon be forced to further reduce its oil production by 130,000 barrels a day. This is because four Japanese companies suspended lifting Kuwaiti oil.** Page 3.

# Lawson hits out at critics of policy

By Peter Riddell, Economics Correspondent

MR NIGEL LAWSON, the Financial Secretary to the Treasury, yesterday aspired to the wisdom of the England cricket selectors in answering the criticisms of Government policy put forward by three prominent economics professors.

He said the professors were "rather like a test cricketer who has been dropped after a succession of failures in which he has scored no runs, dropped every catch and whose bowling has been hit all over the ground, then, when a new player is selected says 'Why doesn't he play like me?'"

Mr Lawson's comments were in reply to a statement by Professor Sir Bryan Hopkin, formerly a chief economic adviser at the Treasury; Professor Marcus Miller from Warwick and Professor Brian Reddaway from Cambridge.

The professors say current policies are "the main cause of the present slump" and offer no likelihood of a worthwhile recovery while there is a better alternative involving an expansion of demand and a lower exchange rate.

Mr Lawson argued that these remedies "have been put to the test over a long period and have resulted in a lack of economic success in general and steadily rising inflation in particular."

He said that the Government's policies had been "fundamentally endorsed by the Organisation for Economic Co-operation and Development (the Paris-based secretariat of the industrialised countries) and the international consensus was that the policies being advocated by the professors did not work."

The statement from the professors is significant not only because of their prominence but also because the proposals provide one approach for those seeking an alternative to the current strategy.

In an interview on the Independent Television News programme, News at One, Professor Reddaway said yesterday: "The most important difference in the proposals against past ones is that we are starting from a position in which the exchange rate is absurdly high."

He wanted a rate that is "realistically related to the level of costs in this country and in other parts of the world."

The professor also expanded on parts of the statement,

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Shop spending slips back, Page 6

# Bristow grounds its Wessex helicopters

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRISTOW HELICOPTERS has grounded its remaining [illegible] Westland Wessex helicopters, as a "prudent measure" pending the outcome of the technical investigation into the cause of last week's crash in the North Sea which cost 13 lives.

The accident last Thursday occurred off Great Yarmouth to a Wessex from Bristow's fleet travelling from the Leman Bank gas field in the North Sea to Amoco's terminal near Norwich.

The crash is thought to have been caused by a mechanical failure in the aircraft's rotor system. If it has been caused by engine failure, the rotor blades would have been able to continue turning, "auto-rotating," enabling the pilot to put the aircraft down on to the sea safely.

The suddenness of the plunge appears to indicate that a more serious mechanical failure, perhaps the result of metal fatigue, was responsible.

It will not be possible to determine this until a technical investigation has been completed by the Department of Trade's accident investigation branch, with the aid of the Royal Aircraft Establishment at Farnborough, Hampshire.

As many parts as possible are being recovered from the seabed 20 feet down about 11 miles from the coast and taken to Farnborough. Some of the rotor system has been recovered.

The RAE's investigation techniques are among the finest in the world, and are often used by overseas Governments to determine the causes of aircraft accidents.

Westland Helicopters, of Yeovil, Somerset, the original builder of the Wessex, will help in the investigation.

The Wessex, although no longer in production is used worldwide, including by the Royal Navy and the RAF, and by several overseas armed forces. It entered service in 1961.

There is no question yet of other operators following Bristow and grounding the Wessex. Both Westland and the Civil Aviation Authority (which grants airworthiness certificates for all civil aircraft on the UK register) remain confident in the helicopter, but will be watching the progress of the investigation closely.

Bristow's decision to ground its Wessex fleet will not result in any disruption of its North Sea activities or overseas where the Wessex is also used by the company.

With more than 100 other helicopters of various types in its fleet, Bristow is expected to be able to fill the gap adequately, even if the company has to charter aircraft from other operators as an expedient.

# Signs that Midland may reschedule Laker debt

BY ALAN FRIEDMAN

THERE WERE signs yesterday that Midland Bank International might be willing to reschedule Sir Freddie Laker's loan for \$131m (worth £71.9m at current rates) which account for a large part of his company's total syndicated borrowings of £130m.

Sir Freddie contends that adverse exchange-rate movements between the dollar and the pound since the syndicated loans were arranged could lead to a loss of £6m from Laker's reserves unless the debt is rescheduled.

Midland said yesterday that the syndicate of 13 banks which made the ten-year loan to Laker Airways to finance the purchase of three A-300 airbuses was looking at proposals put to them by Sir Freddie in connection with the loan.

It is understood that Midland is giving serious consideration to a solution which could allow Laker to re-schedule the debt. But the approval of all of the banks in the syndicate would be required.

The Midland-managed syndicate includes Societe Generale, Citibank, Bayerische Vereinsbank, Dresdner Bank, Crédit Lyonnais, the Canadian Imperial Bank of Commerce, Royal Bank of Canada, Banque Française du Commerce Extérieur, Creditanstalt Bankverein, Clydesdale Bank, Banque Nationale de Paris, and SFE Banking (Nassau).

The Midland loan to Laker is at an interest rate of 10.2 per cent. Part of the repayments for the current financial year will fall due next January and March.

Between the Midland loan and another facility extended by a syndicate of banks managed by Eximbank, the U.S. state-backed bank, a total of

Continued on Back Page

# Ulster parties all oppose plan for advisory council

BY OUR BELFAST CORRESPONDENT

THE GOVERNMENT plan for a Northern Ireland advisory council appears unlikely to be put into operation because of opposition from the political parties there.

The mainly Roman Catholic Social Democratic and Labour Party has followed the Unionist parties in rejecting the proposal for a 50-member council announced last month by Mr Humphrey Atkins, the Northern Ireland Secretary.

He had envisaged the council advising on working of Government departments and on possible moves toward devolution.

The plan was for the parties to nominate members in proportion to their electoral strength. Council places would be open to MPs, members of the European Parliament and members of Northern Ireland's 26 local councils.

Mr John Hume, the SDLP leader, disclosed yesterday that he had told Mr Atkins at a meeting last week that his party would not participate.

Mr Hume said: "I told him he was asking us to join a council to advise him, while he has publicly been ignoring our advice over the past six months."

The SDLP's disillusionment with the council idea stems largely from the fact that the proposal fails to take account of the party's desire to the Irish Republic brought into the debate on the future of Northern Ireland. The Dublin Government's response to the council proposal was cool.

Mr Hume is angry that the Government has rejected his advice on possible ways of ending the hunger strike at the Maze Prison.

The Rev Ian Paisley's Democratic Unionist Party attacked the council idea as soon as it was proposed. The Official Unionist Party took the view that the Government should drop the suggestion in favour of strengthening local government.

The Northern Ireland Office made no official comment yesterday on the future of Mr Atkins's proposal. The door remains open for talks with the parties, so no Government statement is expected.

# Swiss bid for Provident Life

BY ERIC SHORT

ANOTHER INSURANCE company has received an approach from a major overseas insurer.

Yesterday Winterthur Swiss Insurance Company, which claims to be the twelfth largest in Europe, including UK companies, bid £11.34m for the outstanding shares in a small UK company, Provident Life Association of London.

Provident Life is controlled by Mr John Profumo, a former Tory Minister, and other members of the Profumo family who between them account for about 40 per cent of the equity, with the staff pension scheme holding 7.4 per cent.

Wintherthur is bidding 320p in cash for the 74.54 per cent of Provident which it does not already own. It is also making an offer for the preference shares.

The offer values the whole of Provident at £15.2m, and the Swiss company has said that this is its final offer.

This move highlights the attractions of the UK insurance market to overseas insurers in both the life and non-life sectors.

Earlier this year Allianz Versicherungs, the largest direct insurance group in West Germany, acquired 28 per cent of Eagle Star Insurance; while Liberty Life Association of South Africa built up a 20 per cent stake in Sun Life Assurance.

Dr Silvio Calfisch, manager of Winterthur's overseas operations, said in London yesterday that because of its freedoms from autherative controls the UK life market offered prospects of a higher return on capital than other insurance markets.

Winterthur acquired its original holding in Provident Life in 1967 as its first direct venture into the UK market.

But yesterday Dr Calflisch expressed his company's disappointment at the comparative lack of progress by Provident Life.

Winterthur wanted to expand its operations in the UK and felt that Provident Life, backed by the capital assets of a major international insurance group, could expand faster than at present.

Winterthur informed the board of its pending offer last Friday, after the close of the Stock Exchange.

The board meets today to consider the offer, and until the meeting is making no comment whatever.

The absence of approval so far has been taken by the market as an indication that the board is not willing to accept the offer, even though the price is nearly 50 per cent higher han the share price before the announcement.

The share price closed last night at 330p, which as 10p above the offer and 114p up on the day. Although there is no obvious candidate to make a counter-offer, there was some speculation that another company interested in moving into the UK might make a counter-offer.

Winterthur intends that Provident Life shall continue to operate under its existing management.

But Dr Caldisch envisaged Provident Life taking part in Winterthur's international group life business, a field in which it has very little business

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### £ in New York

| | Aug. 14 | Previous |
|---|---|---|
| Spot | \$1.7925-7950 | \$1.8020-8055 |
| 1 month | 0.98-1.05 pre | 0.82-0.89 pm |
| 3 months | 2.50-2.40 pre | 2.20-2.30 pm |
| 12 months | 6.50-6.70 pre | 6.40-6.60 pm |

## CONTENTS

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# Spadolini takes off at a sprint but the real hurdles lie ahead

BY RUPERT CORNWELL IN ROME

IN THE heat and calm of the traditional mid-August *Ferragosto* holiday, Italy has just completed its first 50 days of rule by a Government led for the first time since 1946 by someone other than a Christian Democrat.

Compared with the 100-day "honeymoon" which tradition allows new administrations in other Western democratic countries, this might seem too brief a period upon which to base any coherent judgment of the performance of Sig Giovanni Spadolini, the new Republican Prime Minister.

Italy is different. Since the collapse of the last Parliament and the ensuing general election of June 1979, 100 days have proved about half the average life expectancy of a Government, a point at which speculation over its demise has long since taken over from other issues.

In the time at his disposal so far, Sig Spadolini has already offered changes in style and substance from his predecessors. But in many respects the easy part is over and his real trial will begin with the resumption of activity after the summer.

Sig Spadolini has moved fast, as he knew he had to. No one expects the "three per cent solution" (the figure refers to the electoral support of his Republican Party) to see out the rest of this legislature until its natural end in *summer 1984*.

At best, runs the conventional wisdom in Rome today, his five-party coalition will keep going until next spring, at which point general elections may once again decently be called. But political predictions are nowhere more hazardous than in Italy. What is clear is that Sig Spadolini has moved with a vigour and decisiveness that has surprised the pundits who predicted that the mixture would be just as before.

When he was sworn into office by President Sandro Pertini on June 28, the Premier promised swift action to cope with what he theatrically termed Italy's "four emergencies"—moral, social, economic and international. He has been as good as his word.

Within hours he had begun discussions with industry and *the unions to tackle the country's* steadily worsening economic difficulties, even though the results achieved at a so-called marathon session at the end of July were meagre indeed.

The moral drive has been more evident. With widely applauded celerity, he pushed through a decree disbanding secret societies—in particular the notorious P-2 Freemasons' lodge, whose exposure was the final nail in the previous government's coffin. Before the end of July, Sig Spadolini had pushed through named replacements of the senior military and intelligence officers compromised in the P-2 affair.

To deal with the "social" emergency, the Cabinet this month allocated L400bn (£178m) to step up the campaign against terrorism. New measures are promised by the *end of August to give greater* encouragement to disillusioned terrorists to co-operate with the police in the hope of regaining momentum lost in recent months of heavy Red Brigades' activity.

Sig Spadolini himself has left no doubt that he is as worried as anyone by terrorist threats of a powerful autumn offensive aimed especially at industry, where important wage contract negotiations are due to start soon.

Finally, any lingering doubts about Italy's international alignment were banished by the announcement of a firm site—in Sicily—for the 112 Cruise missiles which the country has accepted as its contribution to the moderisation of Nato's theatre nuclear forces.

Perhaps no less important, the style, too, has changed. *Unlike his unhappy Christian* Democrat predecessors, Sig Francesco Cossiga and Sig Arnaldo Forlani, Sig Spadolini actually gives the impression of enjoying the job of Prime Minister.

He gives numerous interviews. True, the practice has already been attacked from inside the Government, but at least it conveys a sense of purposefulness—so unlike Sig Forlani, who made clear that he never wanted to be Premier at all.

The real difficulties lie ahead, however. Sig Spadolini has set himself a deadline of September 30 to achieve the "anti-inflation pact" between Government, unions and employers. For that, more than words will be needed —quite probably, some understanding on changing the *Scala Mobile* system of wage indexa*tion, which has defied a host of* earlier attempts at change. A head-on collision between the two sides of industry would only aggravate the economy's problems.

Closer to hand are this week's parliamentary debates on the missile question and on the U.S. decision (strongly criticised in Italy) to manufacture and stockpile neutron weapons.

Most dangerous of all to Sig Spadolini, however, is perhaps the risk of success. His Government rests on an uneasy stand-off between its two biggest components: the Christian Democrats whose internal disarray makes a spell of reflection essential and the Socialists who admit reluctantly that the moment is not yet ripe for them to stake all on a bid for the premiership.

Either of these assumptions might easily be changed, above all by a jealous anxiety that Sig Spadolini might be perceived as being good at his job—too good for the liking of either of them.

● Sig Spadolini (right): surprised the pundits

# France promises to press ahead with help for Poland

BY DAVID WHITE IN PARIS

FRANCE PROMISED to pursue its programme of aid for Poland and to press its European Community partners to step up their efforts, during a visit to Paris yesterday by Mr Joseph Czyrek, the Polish Foreign Minister.

Mr Czyrek's talks with M Pierre Mauroy, the French Prime Minister, were described as having taken place in an atmosphere of "great cordiality" and as having focused on the internal situation in Poland and the role of international aid.

The visit was the first by a member of the Warsaw Government since M Francois Mitterrand's election as President in May.

The French President is known to be envisaging a visit to Poland, probably early next year, following the cancellation of a planned trip last year by his predicessor, M Giscard d'Estaing. M Claude Cheysson, the Foreign Minister, is expected to go to Warsaw in October to finalise details.

Mr Czyrek was due to fly on for talks in West Germany today.

Paris has played a leading role in recent efforts to alleviate Poland's pressing food problems. It cleared the way earlier this month for immediate shipments of cereals, meat, sugar, fruit and medicine, backed by full Government credits. M Mauroy re-emphasised yesterday that no political conditions were attached to France's economic and financial aid programme.

Besides the food aid, which had been promised by the *previous Government but failed to* get through because of financing problems, France has promised to exert pressure on its partners to offer Warsaw a bridging loan of $500m.

● The relentless deterioration in French unemployment was confirmed yesterday by July figures showing a 1.3 per cent *increase in the number of job*-seekers to a seasonally-adjusted total of 1.85m. This was 25.8 per cent more than a year ago.

# Paris reaffirms support for nuclear energy

BY DAVID FISHLOCK, SCIENCE EDITOR, IN PARIS

A SENIOR French Minister has reaffirmed his Government's support for nuclear energy, and for the controversial French developments in fast breeder reactor and reprocessing technology.

"We will honour our past commitment and any we conclude in the future," M. Jean-Pierre Chevenement, Minister of State for Scienceand Technology, told an international nuclear technology conference in Paris yesterday.

M. Chevenement, in the opening address to the Structural Mechanics in Reactor Technology (SMIRT) conference, said that French nuclear plants already completed would remain in operation, and some 30.00 MW in nuclear capacity under construction would be completed.

Five new nuclear power station sites at which work had not yet begun would be held up pending a parliamentary nuclear debate in October. "Democracy is worth a few months of delay," said M Chevenement.

He had full confidence in the outcome of the debate, but it would help the Government to decide to what extent nuclear power would be "one of the components of the energy cocktail." The Government plans for 30 per cent of French energy to be supplied by nuclear power by 1990.

M Chevenement said in an interview that the only nuclear project the Government had stopped was the nuclear station at Plogoff, which should not be taken as a precedent because the area was tantamount to a national park.

Another site to replace Plogoff would have to be found in the same area, said M Chevenement. The parliamentary nuclear debate, scheduled for the first week of October, had to decide what kind of society France wanted in future, rather than whether or not it wanted nuclear power.

M Chevenement said he believed that implacable opponents of nuclear energy were a minority, and it was the aim of the debate to allow other opinions to be heard. He saw the debate as an opportunity for the Government to explain France's energy problem and why nuclear power was necessary.

M Chevenement said the opponents of nuclear energy were mainly concerned with fast breeder reactors and reprocessing of spent fuel. No decision was needed on a fast breeder reactor programme before 1984, when Superphénix, the 1,200 demonstration fast reactor under construction, was scheduled to be in operation.

# Trade gap narrows in Switzerland

By John Wicks in Zurich

THE SWISS trade gap narrowed considerably last month with a deficit of SwFr 511m (£123m), representing little more than half the sum for last July. While exports were some 12.8 per cent higher, imports rose by only 1.2 per cent. After adjustment for prices, exports increased by 6.6 per cent over the year, while imports dropped 6.5 per cent.

For the first seven months of 1981, exports also developed much faster than imports, despite the marked decline of the Swiss franc in terms of the dollar.

In value, exports rose by 7.9 per cent and imports by only 0.9 per cent in comparison with January-July, 1980. In real terms, exports rose slightly, by some 0.3 per cent, while imports fell at a rate of 5.1 per cent.

As a result of this, the overall visibles deficit for the period decreased by over 30 per cent to some SwFr 4.27bn. This strengthens the belief that the Swiss balance of payments on current account will show a surplus again for 1981. Last year saw the first deficit on the current account since 1965.

# Dutch opposition strong to Nato missiles

BY CHARLES BATCHELOR IN AMSTERDAM

A FUTURE Netherlands Government which refused to accept Cruise missiles on Dutch soil could count on the support of a large majority of the population, an opinion poll shows.

Some 58 per cent of those polled were opposed to the 48 missiles which Nato has assigned to the Netherlands. The missiles are part of Nato's response to the build-up of SS-20 missiles in the Soviet *Union*.

Only 14 per cent were in favour, according to the results of the survey, which was conducted in May and published by the Catholic Broadcasting Organisation. Another 21 per cent said they would accept fewer missiles in the Netherlands.

The poll, for which 2,500 people were interviewed confirms the strongly anti-nuclear feeling among Dutch men and women revealed in other surveys carried out in recent years. The campaign to ban the neutron bomb, which gathered more than 1m signatures in 1978, has recently resumed organising protests and appealing for support following President Ronald Reagan's decision to begin assembly of neutron warheads.

Three-quarters of those interviewed also felt the nuclear arms race was getting out of hand.

In spite of the strong opposition to nuclear weapons, only 18 per cent said they believed that a majority of Dutch MPs would vote against the new missiles. A quarter of those questioned thought other countries would follow the Netherlands' example if it refused to accept the weapons.

*Nato's plan to modernise its* theatre nuclear force is one of the main issues dividing the three political parties which are attempting to form a Government. The Labour Party is opposed categorically to the missiles. Democrats 66 are against "in present circumstances" and the Christian Democrats believe they should be used as a bargaining counter in disarmament talks with the Warsaw Pact.

A warning that efforts to form a Government will fail unless the two Left-wing parties approve substantial cuts in public spending next year, was issued yesterday by Mr Dries van Agt, the outgoing Prime Minister.

If Labour and Democrat 66 did not agree to Fl 4.5bn (£890m) cuts in proposed spend*ing next year, then the Chris*tian Democrats were not prepared to form a Government with them, he said in a radio interview.

The 1982 budget, which must be announced to Parliament by September 15 is formally the responsibility of the outgoing Christian Democratic-Liberal *coalition, but Mr van Agt is keen* to gain the support of his prospective new coalition partners.

Labour and Democrats 66 have accepted the need for Fl 9bn worth of cuts over the next four years but refuse to make half of these cuts in one year. This week will be decisive in the 11-week-old coalition talks, Mr van Agt said.

# Conservatives pick up backing in Norway

BY FAY GJESTER IN OSLO

A MAJORITY of Norway's voters believes that a Conservative-led coalition would cope with inflation and improving industrial competitiveness more effectively than the present minority Labour Government. It also thinks that it would be better at co-operating with the country's Nato allies.

On the issue of preventing unemployment, however, 50 per *cent think that* Labour is the safest bet.

This emerges from an opinion poll published at the weekend, four weeks before the September 14 general election. But the poll was taken before the Government's recent decision to freeze prices for the rest of this year and before President Ronald Reagan's announcement that the U.S. will stockpile the neutron bomb.

The U.S. move, particularly the failure to consult Nato allies *first*, has been widely criticised in Norway. It could help Labour's election campaign, which has tried to harness growing fears of war by calling for Nordic zone free of nuclear weapons.

● A leading West German disarmament expert said yesterday that an East-West disarmament commission which visited Moscow in June had concluded that the Soviet Union had tested neutron weapons, Reuter reports from Bonn.

Herr Egon Bahr, a member of Chancellor Helmut Schmidt's Social Democratic Party, said the Soviet Union provided evidence of such tests to the commission chaired by Mr Olof Palme, the former Swedish Prime Minister.

# Carrington helps clear air round the Rock

By Robert Graham in Madrid

AN INFORMAL meeting in Madrid over the weekend between Lord Carrington and Sr Jose Pedro Perez-Llorca, the British and Spanish Foreign Ministers, has helped clear away misunderstandings and frictions created by the honeymoon presence in Gibraltar of the Prince and Princess of Wales.

The two sides yesterday were expressing cautious optimism that last year's Lisbon agreement on Gibraltar could be implemented fairly soon. That agreement envisaged the reopening of the frontier—un*ilaterally closed by Madrid* more than 11 years ago—in return for a commitment by Britain to negotiate all contentious issues surrounding the Rock's future.

The meeting took place on British initiative apparently, indicating Britain's desire to consider as closed the controversial royal presence in Gibraltar earlier this month.

King Juan Carlos declined an invitation to attend Prince Charles's wedding when he discovered that the royal couple were to board the yacht Britannia from the British colony. The Spanish regarded this as tactless and insensitive and it was criticised in Britain, too.

The Spanish, for their part, appear to have accepted as counter-productive continuing poor diplomatic relations with two important allies—Britain and France—at a moment when they are seeking to enter Nato and join the European Community.

*In the case of France, Spain has* had no joy over extradition for suspected Basque terrorists and the new administration in Paris has shown no change in French hostility to Spanish agricultural exports.

Lord Carrington, who was on holiday at Trujillo about 120 miles west of Madrid, came to the capital on Sunday and dined informally in the Foreign Minister's residence. The meeting was described as "frank and amiable."

The Lisbon agreement has never been implemented largely because Sr Marcelino Oreja, the then Spanish Foreign Minister, made promises which the cabinet found poli*tically impossible to honour*.

As a result the frontier, due to have been opened by this time last year, has remained closed and only desultary conversations have taken place, either between experts on technical matters or at a ministerial level.

The Spanish have sought to persuade Britain to make some *face-saving gesture so* permitting them to lift the restrictions imposed by the Franco regime. In particular, they have tried to persuade the British to guarantee Spaniards the same rights on Gibraltar as other EEC citizens.

The British, on the other hand, have argued that once the *unilaterally-imposed* restrictions are lifted, then (and only then) all matters pertaining to the Rock's future are negotiable. This would preclude sovereignty, although that is not stated publicly.

Sunday's meeting between the two foreign ministers confirmed that the Spanish see *the best way round* this impasse via their membership of Nato. This would then convert Gibraltar into a Nato base which, in turn, would provide a number of formulae for future sovereignty.

The Madrid Cabinet this week is due to decide on the timetable and mechanisms for a parliamentary debate on Nato membership. This will almost certainly take place next month, with Spain formally applying for membership in October.

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Kevin Done, in Frankfurt, reports on the world's biggest spenders on foreign travel

# The rising cost of W. German wanderlust

WEST GERMANS are taking pleas by their cabinet ministers to sweat out the country's present economic problems lying down . . . mostly on foreign beaches.

Despite recession, the highest unemployment rates for nearly 30 years and falling real incomes, West Germans are proving unwilling to forego what many regard as their right to two or three foreign holidays a year.

Spending on foreign travel in the first six months of this year jumped again by more than 10 per cent to over DM 17bn (£3.7bn).

The Germans' lust for travel has for long been a major burden on the balance of payments. But the billions of D-Marks spent abroad each year by German tourists did not matter too much during the fat years when the formidable success of the German export machine was more than enough to underwrite improving German life-styles.

For the last two years, however the country has been living increasingly above its means. The German predilection for expensive foreign goods and services helped to produce a massive deficit of DM 29bn (£6.4bn) in the current account in 1980 and it is unlikely to be much smaller this year.

Once acquired, expensive habits die hard in the Federal Republic. A report from the Bundesbank, the West German central bank, shows that West Germany is still without rival in the amount it spends on foreign travel.

Last year West Germany alone accounted for nearly a quarter of all the money spent worldwide on travel. Expenditure of no less than $21bn put it in a league on its own. Heading the second division is the U.S., whose population managed to spend some $10bn abroad last year on travel, followed by the UK with $6.5bn, France with $6bn and Japan with $4.5bn.

The growth of German tourist spending in recent years has clearly outpaced developments in other leading industrial countries. It now accounts for 2.5 per cent of West Germany's gross national product (GNP), compared with 1 per cent in France and only 0.5 per cent in Japan, Italy and the U.S.

Of course, West Germany's geographic and economic position in Europe is ideally suited to foreign travel. At the same time, it does not enjoy an ideal climate, the borders are open, there are no foreign exchange controls, it is one of the most prosperous countries in the world and as a major exporter and importer it plays a leading role in world business travel.

West Germany itself is quite a popular goal for foreign tourists, who last year spent some DM 12bn in the Federal Republic. However, German tourists parted with nearly DM 38bn abroad last year, leaving the country with easily the biggest deficit on its travel account of any country in the world. Last year the deficit amounted to $14bn compared with a deficit of only $4bn accumulated by Japan and $3bn by the Netherlands.

West German inclination to spend much of their savings on expensive foreign holidays is nothing new. But the magnitude of the spending is setting new records. In 1971 the Federal Republic already had a $2bn travel account deficit a short way ahead of the U.S. with $1.8bn. But whereas the U.S. has managed in the last decade to reduce the deficit virtually to nil West German foreign travel spending has mushroomed.

Last year, German tourists and business travellers spent DM 38bn, explosive growth compared with the DM 22bn in 1975, DM 10bn in 1970 and only DM 6bn in 1968. Even after taking account of inflation and changes in exchange rates the growth has been substantial. From 1975 to 1980 the number of hotel rooms booked by West Germans abroad grew by about a third, for example, and from 1970 to 1980 it more than doubled. German spending on foreign travel has been growing two to three times faster than the general economy.

As the Bundesbank points out, foreign holidays take a higher priority than almost any other item in private household budgets. Foreign holidays have long ago ceased to be regarded by West Germans as a luxury item. "Foreign travel is seen as a necessity that can scarcely be given up," says the central bank.

The tourist boom has been given fresh impetus by the steady growth in individuals' holiday entitlement. The average holiday given by West German employers has now jumped to 28 working days—nearly six weeks a year—compared with only 21 working days in 1970. In addition, several industries pay an extra holiday cash bonus over and above the weekly wage.

The Germans have been very successful in their holiday claims and the Federal Republic has more public holidays than any other EEC country. *Bavaria, for instance*, has no less than 14 public holidays a year compared with only 9 in the UK, Ireland and Denmark, 10 in Luxembourg and 11 in Belgium and France.

The main goal for the wave of Germans travelling abroad is inevitably the sun and Italy is the most popular country. Germans' travel spending there last year totalled DM 7.8bn, and was followed by Austria, DM 7.4bn, Switzerland, DM 3.9bn, France, DM 3.1bn and Spain, DM 2.4bn.

High inflation rates abroad combined with the weakening of the D-Mark are beginning to make German tourists more price conscious. Last year many decided not to go to Spain because of the sudden surge in hotel and restaurant prices.

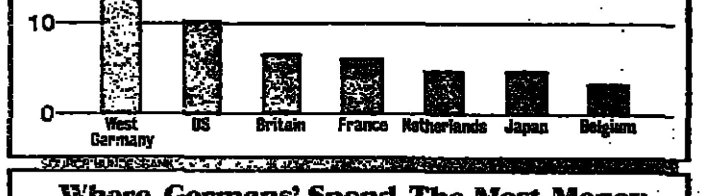
German tourists are also becoming less predictable, as the travel industry is finding to its cost. They are booking later, waiting for travel operators to cut prices in order to fill unused capacity in aircraft and hotels.

More people are showing an interest in organising part of their holiday themselves, a move away from mass package tourism.

Any suggestion that the German Government should curb German travel to try to lower the current account deficit would be rejected by the Bundesbank.

Tourism must be seen as an important part of international trade, says the bank, and any move to restrict the Germans' freedom to travel would smack of protectionism. Much of the money spent abroad by German tourists flows back to the German economy as orders for German goods and machinery, the Bundesbank points out, so tourist spending should not be seen as one way.

The Bundesbank expects the current recession to have some gradual effect on tourist spending but with an inevitable time-lag. The 1975 recession was only reflected in slower holiday bookings in 1976, when the economy was already on the mend. In the long-term it is accepted that foreign holidays have become something Germans will never sacrifice.



# Kuwait may have to reduce oil output further

BY JAMES DORSEY IN KUWAIT

THE SUSPENSION of lifting of Kuwaiti oil by four Japanese companies may soon force Kuwait to further reduce its oil production by 130,000 barrels a day. Both Japanese and Kuwaiti officials say that Kuwait's storage tanks are already full.

The companies—Mitsubishi, Maruzen, Showa and Seibu—say they will only resume lifting when Kuwait shows "sympathy" for their financial position. They suspended lifting on August 1 after Kuwait rejected a request to lower the $6 premium on each barrel of oil.

Officials list several reasons for the Japanese companies' action.

● The only other Japanese oil contract with Kuwait—concluded in March with Daiko—stipulates a mere $2.75 (£1.55) premium on each barrel.

● The companies face severe financial difficulties. Maruzen is directly controlled by the Sanwa Bank and the Industrial Bank of Japan, both of which set the discontinuation of expensive contracts as a condition for further loans.

● Japanese pressure resulted in a lowering of the price of Qatari natural gas liquids from $37.57 to $34.49 a barrel.

Japanese companies have also *suspended the lifting of* 200,000 b/d of Iranian oil. Some Japanese officials believe that the companies wish to ease out of the Kuwaiti and Iranian oil *markets. The officials claim* that the companies prefer to buy from Iraq, which charges Japanese companies no premium on its oil.

*Japanese oil officials* say that Japan has high oil stocks, from which companise will sell to increase the pressure on the market. They claim that the oil contracts with Kuwait only stipulate quarterly quotas and as long as the Japanese companies do not underlift in any quarter they will not be breaching their contracts.

Kuwait has not reacted officially to the Japanese action. But officials point out that Kuwait's already lowered oil production—estimated to be *between 800,000 and 900,000* barrels a day—results in a forced reduction of the production of liquefied petroleum gas (LPG). Kuwait is now said to be buying LPG at higher *prices on* the spot market from Saudi Arabia in order to fulfil its export contracts to Japan and Turkey.

# Syrians intervene in Beirut fighting

BEIRUT — Rival groups *battled with artillery, mortars* and heavy machine-guns for more than 12 hours in a southern suburb yesterday in one of the worst flare-ups for weeks.

The clashes were between the Shia Moslem militia. Amal, and Communist gunmen, observers said. There *were no official reports of* casualties, but Amal said about 15 were killed and 40 wounded, mostly civilians.

The fighting cased at midday when Syrian peacekeeping troops, backed by tanks and armoured vehicles, moved into the run-down district to end the clashes.

Throughout the night, explosions and machine-gun fire echoed across the capital. Residents in the southern part of Beirut took refuge in basements and cellars as shells *smashed into buildings.*

As the fighting flared, Mr Chafik al-Wazzan, the Prime Minister, flew to Saudi Arabia to launch a diplomatic drive in support of Lebanon's call for a summit of the 21-member Arab League.

Lebanon asked for the summit after last month's Israeli air strikes against Beirut and the south in which an estimated 400 people died.

Mr Wazzan met King Khaled and senior princes in the Saudi summer capital of Taif yesterday and is due to visit Kuwait today. He hopes Arab states will draw up a joint economic, diplomatic and military strategy for *facing Israel.*

Government colleagues will visit other Arab countries to press the Lebanese case for a summit.

*Mr Wazzan was quoted as* saying that Arab states welcomed the idea of a summit. Some observers say many states are reluctant to commit themselves to ac onference without any clear idea of what it can achieve.

Reuter

## Syrians die in blast

Three members of the Syrian prime minister's staff died in an office fire yesterday, the government announced, our *Damascus correspondent* writes. A government statement attributed the fire to a short circuit in the cooling unit and gave no other details.

## Iran executes 23

Iran's firing squads executed 23 more people yesterday in a continuing crackdown on *Leftist activists opposed to* the Islamic regime, Tehran radio said, Reuter reported from Beirut.

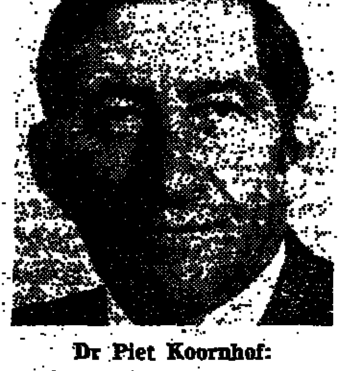
## New Delhi protest

Opponents of anti-strike powers taken by Indian Prime Minister Indira Gandhi's government staged *noisy protests in Parliament* and the streets of New Delhi yesterday, Reuter reports from New Delhi. At least 5,000 workers massed at a *trade union rally near parlia*ment.

# South African squatters offered a compromise

BY J. D. F. JONES IN JOHANNESBURG

PUBLIC OPINION, both domestic and international, has forced the South African Government to offer a compromise to several thousand black squatters who have built a new shanty camp outside Nyanga, on the flatlands near Cape Town. The squatters are deciding whether to accept the concession and leave—or sit tight and try for a clearer victory.



Dr Piet Koornhof: limited concession

The compromise was proffered at the weekend by Dr Piet Koornhof, Minister of Co-operation and Development, who is responsible for black affairs. It included Government assistance in finding work elsewhere in the Republic. Those already employed in the Cape would have their position regularised and helped to find accommodation.

The Government concession is limited. Dr Koornhof insisted that squatting would not be tolerated. Neither those people "legalised" nor those found work elsewhere would be guaranteed permission to keep their families with them.

This is the nub of the matter. Most of the women and children who have been harassed and uprooted in Nyanga during the month are illegally there for a combination of two reasons—to be with their husbands and to escape the poverty of the tribal "homelands" of Ciskei and Transkei, where government ideology requires them to live.

The initial response to Dr Koornhof from the squatters, according to reports of the meetings in Nyanga, has been to reject any government plan to split up the families again.

Two thousand people are still there, waiting to talk to officials, while the police appear to have relaxed last week's policy of blockading the camp and destroying shelters.

At Kliptown, west of Johannesburg, a much smaller group of squatters has been provided with pre-fabricated shelters against the bitter winter by the *local authority, following* protests by church organisations.

# Seoul wants large rise in Japanese aid

BY CHARLES SMITH, FAR EAST EDITOR IN TOKYO

JAPANESE OFFICIALS are reacting apprehensively to hints that South Korea will demand a huge increase in aid at bilateral talks to be held in the next few weeks.

According to the South *Korean Press, which reflects* official thinking, the Government wants Japan to contribute $6bn to $10bn (£3.3bn-£5.5bn) to the new five-year plan. This starts next year.

Japanese aid has been about $100m a year for the past few years, less than one-tenth of what the Koreans seem to have in mind.

Lending by the Government-controlled Export Import Bank may have exceeded the aid, but *the total of Japanese official* funds to South Korea in recent years falls far short of the new figure.

South Korea is basing its request for more loans on the argument that Japan pays nothing for stabilisation of the Korean peninsula through South Korea's defence efforts, although this stability is vital to Japan's security.

The aid demand is expected to be unveiled this week when Mr Lho Shin yong, the Foreign Minister, visits Tokyo for talks with his counterpart Mr Sunao Sonoda. More detailed negotiations on aid and bilateral economic relations in general will be conducted next month at cabinet level.

The cabinet level talks will be the first between the two countries since September 1978 and will mark an important stage in the restoration of normal relations.

Relations were overshadowed during 1979 and 1980 by South Korean political upheavals and by the trial of Mr Kim Daejung, an opposition leader earlier abducted from Japan.

South Korea's aid requests must be seen in the context of continuing dissatisfaction about the trade imbalance with Japan. This was $2.3bn in 1980. Seoul may also be disturbed about the growth of Japan's trade with North Korea which is seen as a "betrayal."

Two-way trade between Japan and the North rose from $73m in 1978 to $120m last year, mainly because of Japanese exports.

Two-way trade between Japan and South Korea is worth $8bn-$9bn a year.

Japanese officials decline to *comment on South Korea's aid* demand until more is known about the projects for which it is requested. It is pointed out that for the past five years at least aid has been restricted to non-revenue earning projects such as schools and hospitals.

## Export growth boost for South Korea

EXPORT GROWTH and increased public investment has lifted South Korea's economic growth to an annual rate of 2.7 per cent for the first half of the year, according to figures released yesterday by the Bank of Korea. Ann Charters writes from Seoul.

Hopes of a good rice harvest have led officials to predict even stronger growth in the second half, perhaps 10 per cent.

This would lift gross national product growth for the year to between 6 and 7 per cent, a sharp improvement on the stagnation of 1980 although well below the double-digit rate South Korea became used to *in* the 1970s.

The Government brought forward a number of public spending programmes to stimulate the economy and domestic sales *have risen* sharply since March.

Private investment has picked up in some light industrial sectors, particularly household electronic products, but prospects for further strong growth in private investment this year are dim.

The main generator for continued recovery in the rest of the year is expected to be agricultural exports. Adjustments in exchange rates, credit policies or export subsidies *may be necessary to* boost export growth next year, the Bank said.

AUSTRALIAN BUDGET TODAY

# Pressure for handouts lacking

BY PATRICIA NEWBY IN CANBERRA

THE AUSTRALIAN Government's commitment to reducing the inflation rate is expected to be reflected in the budget to be presented today by Mr John Howard, the Treasurer.

Both Mr Howard and Mr Malcolm Fraser, the Prime *Minister, have indicated* that the government intends to keep monetary and fiscal policy tight over the next 12 months, especially in view of the *recent collapse of the pay* policy.

Government-set interest rates were raised by 1 percentage point last week to help mop up liquidity and make it difficult for employers to accede to "excessive" wage demands.

The next election is not due until 1983, so the Government is under no pressure to offer handouts. Most taxpayers will in fact pay more over the next year because of fiscal drag. As incomes rise, they enter higher tax brackets.

Earlier this year, the Government said it was abandoning *the principle of indexing* incomes to the inflation rate.

The budget will aim almost certainly for a domestic surplus and may aim for a surplus *overall when government tran*sactions outside the country—such as interest, pension and defence purchasing payments—are taken into account.

In the last financial year, which runs from July 1 to June 30, the Government budgeted for a domestic surplus of A$39m (£24.9m) but achieved A$400m. The overall deficit, budgeted at A$1.5bn, was A$1.1bn.

Government forecasts for real growth in gross national product and in the rate of inflation were too pessimistic. The Treasury expected the inflation rate to be 10 per cent, but it was 8.8 per cent. Real growth, forecast at 2.5 per cent, ended more than one percentage point higher.

The budget will contain the government's target for money supply growth. Last year it hoped to contain growth in M3, the broad-based money supply, to under 11 per cent. It was closer to 13 per cent, mainly because of the record capital inflow of more than A$6bn for resources development.

Fraser has indicated the tight monetary policy will remain

## Indonesian growth rate put at 9.6%

By Richard Cowper in Jakarta

INDONESIA'S economic growth in 1980 was 9.6 per cent, substantially higher than the 7 per cent figure originally estimated, President Suharto announced yesterday.

He also predicted a record rice crop of 21.6m tonnes for *1981, which would bring the* country near to self-sufficiency.

## Sri Lanka emergency

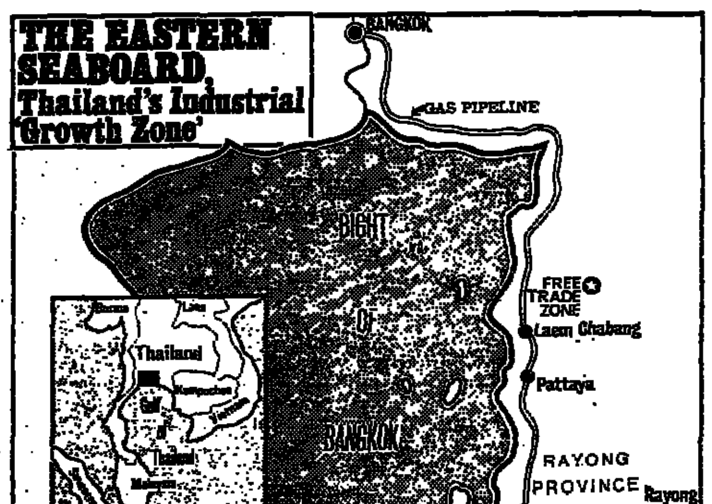
The Sri Lanka Government imposed a state of emergency throughout the country yesterday as fresh communal violence erupted in several parts of the country, a government spokesman said, Reuter reports from Colombo. Regulations to help the security forces maintain law and order would be announced

DEVELOPMENT IN THAILAND

# Industry's offshore lifeline opens

BY DAVID BUTLER IN BANGKOK

NATURAL GAS began flowing this week from a platform deep in the Gulf of Thailand to two power stations in Bangkok 425 km away. The pipeline, most of it submerged under water, is the longest such installation in the world.



The gas was discovered some years ago, and is being extracted by Union Oil Company of Thailand, a subsidiary of Union Oil of California. Commercial production will begin on September 15.

The arrival of gas brings urgently needed relief to a country that is debilitatingly dependent on imported oil. Equally important, it is the key element in Thailand's industrial development plans for the rest of the century. The gas will serve as fuel and feedstock for a complex of industries along the 100-mile eastern seaboard, running from Bangkok south to the provinces of Sattahip and Rayong.

The Petroleum Authority of Thailand *estimates that there is* 11.5 trillion (million million) cubic feet of gas in the Gulf, which is being developed both by Union Oil and by Texas Pacific *Thailand.* Some estimates put the reserves at three times that figure. Development of the resources has been badly delayed by disagreement *between the Thai Government* and the petroleum companies over a wellhead price for the gas. Full agreement has still not been reached.

*Thai Prime Minister* Prem Tinsulanond claims the gas will save Thailand Baht 7.9bn (£195m) a year, about 13 per cent of last year's oil import bill of Baht 60bn. Savings in future years should be even greater.

Development of offshore gas is integrally linked with industrial development of Thailand's eastern seaboard region. Numerous governments and a range of ministries have been planning to develop this region for many years, but with no progress.

Meanwhile, the need to dilute the concentration of population and industry in the immediate *vicinity of Bangkok has become* increasingly urgent.

The breakthrough on the long-awaited projects came earlier this year, when responsibility for the *region was given* to the National Economic and Social Development Board (NESDB). Long disputes about the sites for some of the projects ended.

The arrival of the gas—and the go-ahead for the associated projects — coincides roughly with the start of Thailand's fifth *five-year plan, which* begins on October 1.

The plan is an ambitious one. Apart from industrial development in the Sattaling region, *goods will flow to the* interior from Sattaling port, which will itself be upgraded to a deep-sea port.

The major elements of the *plan are:*

● A rail link from a town outside Bangkok, and the deepening of the port. A second port may eventually be built near the *beach resort of* Pattaya, about halfway up the coast.

● A soda-ash factory. This *400,000-ton-a-year project is* Thailand's part of a Japanese plan to help finance a major industrial project in each of the five states of the Associa*tion of South East Asian* Nations (Asean) which links Thailand with Malaysia, Singapore, Indonesia and the Philippines.

The *plan also includes provi*sion for a petrochemical plant, a gas-separation plant, and an export-processing zone.

Plans for an integrated steel complex are *also mentioned*, but there is persistent and growing scepticism that such a project would make economic sense.

*Officials believe that a new* city between the towns of Sattahip and Rayong should be built and may have as many as 150,000 people in 10 years.

The development of the region will require at least $1bn in investment, current planning calls for about half to come from the Government and half from private sources.

# Japan seeks limit on fruit sales in wake of Medfly

BY REGINALD DALE, U.S. EDITOR, IN WASHINGTON

U.S. EDITOR IN WSHINGTN

THE U.S. was yesterday considering a Japanese request for voluntary restrictions on exports of fresh fruit from California as a result of the spreading Mediterranean fruit-fly outbreak in the State.

The appeal came as new aerial attacks on the fly, which penetrated the fertile San Joaquin valley at the weekend, appeared to be meeting with initial success.

An official at the Medfly headquarters in Los Gatos, California, said it was hoped the outbreak would be limited to a one-square-mile area in the 400-mile long valley, the heartland of California fruit and vegetable production.

The State, which supplies nearly half of America's fresh fruit and vegetables, risks losing up to $15bn (£8.3bn) in spoiled crops if the destructive fly beats the spraying helicopters and infests the entire producing area.

The Japanese Ministry of Agriculture, told the U.S. authorities it would like a ban on exports, to start on Wednesday. Ministry officials said in Tokyo the restrictions they were seeking could be lifted either when the fly was stamped out, or when U.S. quarantine measures met Japanese standards.

The request was accompanied by a decision to intensify Japanese quarantine examinations, to prevent the Medfly entering the country. Last year Japan bought 94,000 tonnes of lemons from California, accounting for 92 per cent of the country's total lemon imports, 69,600 tonnes of oranges and 23,000 tonnes of grapefruit.

Mexico, which imports much less from California than Japan, has already banned imports from the infested areas.

# Russians sell uranium to U.S.

BY OUR U.S. EDITOR IN WASHINGTON

URANIUM enriched in the Soviet Union has started entering the U.S. for the first time in sizeable quantities, the New York Times reported yesterday. Some experts in the industry suggested it could be the beginning of a trend, the paper said.

Commerce Department statistics showed that $43.8m (£24.3m) worth of Soviet-enriched uranium came into the U.S. last year. In one case, however, it was made into fuel in the U.S. and shipped back to West Germany, where the deal had originated.

In another case, Soviet-enriched uranium, originally intended for Austria, was imported via West Germany for use in a power station in upstate New York.

There was no suggestion that the U.S. was in danger of becoming strategically dependent on Soviet-enriched uranium.

The transactions are ironic, however, at a time when Washington is warning West European Governments against becoming too dependent on the Soviet Union for their energy supplies.

The Soviet Union has been enriching uranium on a commercial basis for West European countries, particularly West Germany, since 1974.

# S. American troops for Sinai

BY DAVID BUCHAN IN WASHINGTON

COLOMBIA and Uruguay have become the first countries after Fiji to pledge troops for the Sinai peace keeping force which the U.S. is organising as a formal buffer between Egypt and Israel once the peninsula is demilitarised.

The move is seen as the first small but immediate dividend of the Reagan administration's policy of seeking better relations with Latin American countries. Officials take this as a sign that the Reagan policy is on the right track, arguing that it has been some time since any Latin American governments felt like doing Washington a disinterested favour.

However Uruguay's move is probably linked to the Reagan administration's recent decision to start supporting international development loans to Uruguay, and three other Latin American governments of a right wing hue, as a mark of their human rights "improvement."

Much of the new U.S. policy towards its southern neighbours is still nebulous. Top officials, like Mr Thomas Enders, the assistant secretary for Latin America and Mrs Jeanne Kirkpatrick, the U.S. envoy to the UN, have been travelling around the region on what are described as "educative" trips.

The vaunted "Caribbean basin" plan has not yet been mapped out even on paper. The U.S. has not decided what it may contribute, along with Canada Mexico and Venezuela, in the way of aid and trade concessions.

A main element is supposed to be a voluntary effort by private U.S. business to promote investment in the region—led by luminaries like Mr David Rockefeller.

President Lopez Portillo of Mexico, for one, has told the U.S. that the "Caribbean basin" plan is not to be turned into a collective anti-Communist crusade, and if that is the plan Washington had better proceed on its own.

The U.S. is doing precisely that, and Reagan officials now believe they have a handle on military subversion by Left-guerrillas in the key Central American region.

The Reagan Administration has of late softened its rhetoric, but it still believes that the Soviets and Cubans are bent ontrying to topple the "dominoes" in Central America: first Nicaragua, then El Salvador, followed possibly by Honduras and Guatemala.

The U.S. would like to provide military assistance to the Guatemala Government, but has had to say that it cannot until Guatemala improves its human rights record.

A real problem remains with Nicaragua, which U.S. officials say is being heavily re-armed with Soviet weapons via Cuba. This has allowed the U.S.-made weapons of the old Somoza National Guard in Nicaragua to be shipped to guerrillas in neighbouring countries.

Mr Enders said in Managua last week that the U.S. would not restore any aid for Nicaragua until it stopped re-arming the Salvadoran guerrillas.

Most of the pieces in the Reagan Central America policy had started to fall into place when the death of General Omar Torrijos changed the jigsaw in Panama, the lynchpin of U.S. influence and interests in Central America. It is watching with some concern to see who fills the power vaccuum in Panama.

# Last minute reprieve for Bulletin

By Our New York Staff

THE Philadelphia Bulletin, one of the largest afternoon newspapers in the U.S., appeared as usual yesterday after trade unions granted it a last-minute reprieve. The publishers had threatened to close the newspaper on Sunday night because of mounting losses and market inroads by its main competitor, the Philadelphia Inquirer, which is published in the morning.

The paper's eight editorial and production unions agreed to take wage cuts totalling $4.9m (£2.7m) and to lose about 100 jobs. Other savings will also be made among the ranks of non-union employees.

The agreements came in the form of a new five-year labour contract hammered out only hours before the closure deadline. In return, Charter the large energy and publishing conglomerate which is the ultimate owner of the Bulletin, said it will invest $30m to help restore the paper's market dominance.

# Portuguese flight boycott 'little more than symbolic'

BY LISA WOOD

PORTUGUESE air traffic controllers began their 48-hour boycott of U.S.-bound flights yesterday but the U.S. aviation authorities saw their action as little more than symbolic.

The action, taken in sympathy with the 12,000 striking U.S. air traffic controllers has closed the mid-Atlantic Azores control centre to U.S.-bound flights.

It comes in spite of an appeal for the suspension of all sympathy action from the International Federation of Air Traffic Controllers' Associations pending its 61-nation delegate meeting on Saturday, when international action will be decided.

The Azores corridor usually carries three or four flights an hour. However, the U.S Federal Aviation Authority (FAA) has negotiated three different routes on the major northern route.

Similar action by air traffic controlelrs in Iran will cause little international inconvenience. The backlog of passengers has now been cleared from European airports.

In Australia, air traffic controllers dropped plans to seek a High Court injuction banning flights to the U.S. on grounds of the safety of U.S. air space since the 14-day strike started. The Australian union representing controllers is not a member of the international federation but saw no reason why it should pursue independent action.

In Washington no major delays were reported because of the Portuguese action which ends tonight.

Meanwhile, Mr Drew Lewis, the U.S. Transportation Secretary, discounted reports from union leaders in some parts of the country that FAA supervisors were telling strikers they could get their jobs back if they said they had been afraid to cross picket lines.

He said 150 requests had been received from controllers wanting to resume work, but only three had so far been accepted.

The Government has started to process more than 30,000 applications from pepole wanting to become controllers. Mr Lewis said between 4,000 and 7,000 would probably be hired.

# India considers steel plant bids

By K. K. Sharma in New Delhi

THE INDIAN Cabinet is expected to take up soon the negotiating committee's report on the steel plant to be set up with foreign assistance at Paradip, in Orissa, but a decision may be delayed following reports that Davy International of the UK is willing to reduce its bid.

The main contenders for the plant are Davy and Mannesmann Demag of West Germany, although an offer by the Romanian Government was also examined by the negotiating commigtee set up to consider tenders.

The committee is reported to have made no recommendation, but its report is thought to have favoured Mannesmann Demag's bid on the grounds that the technology offered was better and because it said the work on the plant could be completed within 48 months.

However, Davy has the advantage of offering a financial package based partly on British Government grants. Both groups have agreed to tap the Eurocurrency market to provide funds for the plant.

The plant is intended to begin with an installed capacity of 1m tonnes but will eventually be expanded to 3m tonnes at a cost of roughly Rs 30bn (£1.8bn).

# Fokker delays delivery to U.S. airline

By Charles Batchelor in Amsterdam

FOKKER, the Dutch aircraft maker, has agreed to delay the delivery of two turbo-prop F-27s to the U.S. commuter airline, Mississippi Valley Airlines for two years. The growth of business has been slower than expected when the airline ordered the aircraft in 1980, Fokker said.

Two other F-27s have been delivered according to plan. Fokker has agreed not to impose a penalty on Mississippi Valley because of the delay and now expects to complete the delivery in 1983.

The problems at Mississippi Valley reflect the difficulties faced by many U.S. commuter airlines which now are permitted to operate much larger aircraft than was previously allowed. The larger, more expensive aircraft put a heavy burden on the finances of these airlines, Fokker said.

# Zaire aluminium smelter plan

By John Wicks in Zurich

A EUROPEAN-JAPANESE consortium is this November to sign an agreement with the Government of Zaire for the building of a large-scale aluminium smelter near the Inga hydro-electric complex on the River Zaire. The smelter in the Aluzaire project will have an annual capacity of 150,000 tonnes and will employ 2,000.

According to Swiss Aluminium (Alusuisse), investments in the project are put at between $750m and $800m. This is considerably larger than the estimate of $640m made by Alusuisse last year.

In April, the Zurich company announced that the consortium would consist of Vereinigte Aluminium-Werke of Germany, the Italian state company MCS and the Energoinvest of Yugoslavia, as well as Alusuisse. Since then, the consortium has expanded to take in Norsk Hydro of Norway and the Japanese companies Yoshida Kogyo, Sumitomo Corporation, Sumitomo Aluminium Smelting and Marubeni.

OVERWHELMING TONNAGE SURPLUS, SAYS REPORT

# Call to scrap ageing supertankers

BY FAY GJESTER IN OSLO

THE WORLD supertanker market has an overwhelming tonnage surplus and extensive scrapping of old vessels is the only realistic solution to the problem, says Intertanko, the Oslo-based International Association of Independent Tanker Owners.

It advocates, in effect, the scrapping of all large tankers more than 10 years old.

A recent report by the association analyses the market prospects for VLCCs (very large crude carriers — tankers larger than 200,000 dwt) and estimates that between 100 and 150 of these are surplus to world demand.

The total VLCC fleet is put at 684 vessels totalling 190m tdw, most of them built between 1969 and 1976.

The main reasons for the over-supply are the decline in world oil consumption and the marked fall in shipments from the Arabian Gulf, which is the biggest loading area of VLCCs. Other, contributing factors, are the expansion of oil production closer to consumption areas, as in Mexico and the North Sea, the opening of the trans-Saudi Arabian pipeline and the widening of the Suez Canal.

The report says that the 150 VLCCs built before 1972 are particularly handicapped because of their high fuel consumption and because most do not meet the tougher safety and anti-pollution requirements being introduced by governments.

The high cost of bringing older vessels up to standard—more than £1m—is in itself an argument for scrapping them, it points out. Other considerations are high interest rates and lay-up costs.

Intertanko predicts that at least 40 large tankers will be sold to demolition yards in 1981, compared with 26 last year. Many more will have to go before demand and supply for VLCCs approaches balance.

One graph in the report shows the curve for demand crossing that for supply in mid-1984, assuming moderate demand a policy of scrapping all vessels at 12 years. A more pessimistic alternative, putting annual demand much lower, with scrapping delayed until vessels are 13 years old, shows the tonnage glut lasting until the end of 1987.

● Brown and Root Construction has won contracts worth a total of about NKr 250m (£22.7m) to link two Norwegian gasfields with the Anglo-Norwegian Frigg field, which straddles the sector boundary in the North Sea.

# British brewers move to improve exports

BY GARETH GRIFFITHS

SEVERAL BRITISH brewers have stepped up their export efforts in spite of the industry having failed by a wide margin to meet the export targets set by the National Economic Development Office brewing sector working party years ago.

The NEDO brewing working party suggested in 1977 that British beer exports should be doubled by this year while imports remained steady. This has not happened, and in volume terms beer exports have actually fallen. In 1976 the UK exported 520,000 bulk barrels worth £13.6m while in 1980 exports reached 460,000 bulk barrels worth £19m. Some 53 brewing companies are involved in 38 different countries either through exports, licensing arrangements or foreign subsidiaries.

Brewers say the NEDO brewing targets were political aspirations rather than hard-headed commercial targets and that the industry was hit by the recession in world trade, the fluctuations in sterling and the sharp rise in transport costs for a bulky product. A Brewers' Society report says that even to maintain the 1977 level of exports was in itself quite an achievement.

The main reason for the fall in beer exports has been the loss in the late 1970s of two key markets in Nigeria and Iran which had a doubly adverse effect on beer imports. The two markets took some 100,000 bulk barrels but also their closure added to world pressure for beer exports from other countries. West Germany found itself with another 450,000 bulk barrels capacity because of the closure. Denmark another 240,000 bulk barrels and Holland 180,000 bulk barrels.

Brewers stepping up their exports include Charles Wells, the Bedford brewery, Belhaven, Everards in Leicester, J. W. Lees in Manchester and Guinness, which has traditionally been the industry's leading exporter.

Wing Commander Oliver Wells, the chief executive of Charles Wells, said one of the main reasons his brewery started exporting was to use surplus capacity.

# First coal unloaded for Israeli power plant

BY DAVID LENNON IN TEL AVIV

ISRAEL entered the coal era yesterday, when the first consignment of solid fuel for the country's new coal-fired power plant at Hadera, north of Tel Aviv, was unloaded from the British crane-bearing ship, the Mika.

The British ship is under contract to Israel to operate for four months off the coast unloading the coal-laden ships into lighters, while work is completed on the offshore pier.

After emptying its own cargo of 12,000 tonnes of British coal, the Mika will begin transferring 60,000 tonnes of Australian coal, which has arrived on the Israeli freighter, Irene.

Israel's first coal-fired power station was constructed at Hadera over the past six years at the cost of $750m.

The first of its four 350 MW generators is to go into operation within a few months, and when all four are operating, the plant will consume 3.5m tonnes of coal annually.

The main suppliers are Australia, South Africa and the U.S., with Britain contracted to supply 750,000 tonnes over a number of years.

Israel is totally dependent on imported oil for its energy requirements and has frequently experienced difficulty in obtaining this fuel because of the Arab boycott. These political difficulties, combined with the huge increase in oil prices, persuaded Israel to generate power from coal, despite the opposition of environmentalists worried about pollution.

When Hadera is fully operational in the mid-1980s, it is expected to supply 40 per cent of the then-forecast power needs of the country. A second coal-fired plant is also planned, though at present there is considerable de[illegible]

# Scheme to insure exporters against losses

BY L. DANIEL IN TEL AVIV

A SCHEME intended to insure Israeli exporters against losses resulting from the gap between the rampant local cost escalation and their income in foreign currency has been announced by the Israeli Foreign Trade Risk Insurance Company.

The company will insure the exporter against the gap between the rise in the wholesale industrial input index and the movement of a foreign currency basket comprising dollars (40 per cent), sterling, the French franc and Deutsche Marks.

It covers only the added value of the goods sold—not the cost of imported raw materials—and the production period only, since the Bank of Israel provides foreign exchange upon presentation of shipment documents.

Initially the scheme will cover a period of two quarters —July/September 1981, during which a maximum of 13 per cent differential will be payable, and October/December, 1981, with a ceiling of 14 per cent.

Premiums for the first quarter will be 3 per cent for goods bound for Europe and 7 per cent to other destinations, rising to 4 and 9.5 per cent in the second quarter.

Should exporters suddenly find that, due to exchange rate fluctuations their income has grown at a faster rate than local costs, they will have to return the surplus to the insurance company. The protection afforded by the scheme will not prevent exporters wishing to do so to buy forward foreign exchange.

The volume of exports likely to be eligible is between $2.5bn-$3bn, of which 50-60 per cent represent added value. Assuming that not all firms will take out insurance, the initial sum likely to be covered is between $750m and $1bn.

The Israeli shekel is, theoretically, permitted to float freely, but the central bank has intervened at times to prevent strong fluctuations and is now slowing down the rate of devaluation of the local currency.

# Zimbabwe to end oil dependence

BY OUR SALISBURY CORRESPONDENT

ZIMBABWE will, by the end of this year have ended its substantial dependence on South Africa for imported fuel. This was announced in Salisbury by Mr Jerry Musson, chairman of the country's oil procurement consortium.

Mr Musson said that the Lonrho-owned oil pipeline from Beira in neighbouring Mozambique to Umtali, will be back in operation in December after being closed as a result of oil sanctions against the former Rhodesia, for 15 years.

The pipeline, originally constructed to pump crude oil to the Feruka refinery near Umtali, will be used for 20 days each month to pump refined petroleum products and for the other 10 days to pump in dieseline.

Other products such as paraffin and aviation spirit, will be brought in by rail from Maputo in Mozambique. At present the bulk of Zimbabwe's oil imports are being brought in by rail from South Africa though the proportion being railed through Maputo is rising.

There is speculation that the Zimbabwe Government will decide against reopening the Feruka refinery which, according to some experts is no longer felt to be viable.

The country is spending nearly Z$4m (£3m) on storage facilities at Feruka for refined fuel pumped for Beira and a further Z$650,000 on improving installations at the port.

# New airport for Turkish resorts

BY DAVID TONGE

TURKEY has opened a new international airport to help the tourist development of its attractive south-west coast. The airport is at Dalaman, 30 miles east of the tourist centre of Marmaris and 40 miles north-east of the Greek island of Rhodes.

Mr Ilhan Evliyaoglu, the Minister of Tourism, says that the airport should prompt the development of a 9,000-bed hotel project at Koycegiz, between Dalaman and Marmaris. It is aimed to serve the 26,000 tourist beds in the area, most of which can at present only be reached from abroad, after long journeys from Izmir.

The single runway is 3,120 metres long, 45 metres wide, and is capable of taking jumbo jets.

Turkey's south-western coast is one of the more striking unspoilt areas

# Investment drive by China

By Kevin Rafferty in Hong Kong

CHINA'S SPECIAL industrial estate across the border from Hong Kong is about to launch a drive to attract foreign investment.

This is likely to involve the promise of swift 40-minute access from Hong Kong by boat, instead of the tiresome journey by train which can take several hours.

The estate, at Shekou, is nominally part of the Shenzhen Economic Zone, but is under the separate management of China Merchants Steam Navigation of Hong Kong. It already has projects under development worth about $100m (£55m). Discussions on more than 100 other schemes are under way.

China Merchants, established in Hong Kong more than 100 years ago to serve as China's agent, has generally won a better reputation than the managers of the Economic Zone.

# Murdoch slays 'Tonight' and cleans sword for the New York Daily News

BY DAVID LASCELLES IN NEW YORK

MR RUPERT MURDOCH has won the latest battle in the New York newspaper war—one of the bloodiest such battlegrounds there is. But the fight has left him so weak it may be some time before he can carry on his campaign for dominance of the fiercely competitive but potentially lucrative tabloid newspaper market.

Last Friday, his arch rival the Daily News announced that it was abandoning its year-old experiment with an afternoon edition, called "Tonight," leaving Mr Murdoch's New York Post alone to serve the evening newspaper reading public. The News, which is owned by the Chicago Tribune company, said it had been forced to wield the axe because of mounting losses and the failure of "Tonight" to win more than a tiny fraction of the market despite massive promotion, aggressive pricing, and what it claimed was superior editorial content.

"We believed New Yorkers wanted a quality afternoon newspaper, and we hoped to attract a whole new audience of readers and advertisers," said Mr Robert Hunt, president and publisher of the News, in an apparent jibe at the Post's possibly unjustified reputation for over-indulging mass tastes.

"Tonight" was launched at a cost of $20m and was managed by Mr Clay Felker, one of the supreme talents of New York publishing who created "the new journalism" at New York magazine and nursed names like Norman Mailer and Tom Wolfe.

The accent of "Tonight" was very much on features and "life style" information for New York's fun-seekers. It was also rich in columnists and special sections.

This marked a distinct shift upmarket from its mother publication, the Daily News, which aims at the blue collar worker. But "Tonight" also tried to keep a blue collar appeal by publishing sensational news items and lots of sport — bedfellows which seemed to lie uneasily together and may in the end have left it serving neither market.

Critics claim there was not enough news, and what there was did not always match the Post in freshness. This was partly because "Tonight" was staffed by morning newspaper journalists or magazine editors (like Mr Felker himself) who were not steeped in the special needs of an evening paper.

Also, the Daily News' plant and distributors were not geared to meet the hectic deadlines of an afternoon operation where every minute counts. The Post often carried breaking news first, and got its copies to heavy readership points like the railway terminals earlier.

Although "Tonight's" future never seemed secure, there were signs of trouble earlier this summer when it announced a change in its editorial balance in favour of news. Many of the Felker-style features were slimmed down, and it was not long before Mr Felker himself quietly left to pursue other business interests.

"Tonight" never more than dented the Post's market. Its circulation only reached 70,000 compared to the Post's 750,000 which rises on big news occasions to over 900,000.

"Tonight's" target was 200,000 to 300,000. Much as the News may blame "Tonight's" closure on the failure of New Yorkers to recognise a quality product, it also took on a formidable rival in Mr Murdoch whose eventual goal has been not just to wipe out "Tonight" but the Daily News as well.

Mr Murdoch bought the Post in 1976 when its circulation was 500,000 and has spent millions of dollars building up sales and extending its reach. When the Daily News announced the "Tonight" venture, he immediately went on the counter-attack and started up a morning edition to take on the News in its own market. For the last 12 months, the Post and the News have been locked in combat across the whole front of daily journalism.

Although Mr Murdoch has enjoyed certain advantages, mainly stemming from the established evening newspaper routines which the News could not match, he was fighting against certain odds. For reasons that are only too familiar in Britain, he is widely considered in New York to have debased the Post, to the extent that many advertisers now refuse to buy space in it.

Responding to the challenge of "Tonight" has been costly as well. Apart from the expense of starting up a morning edition, the Post was forced to trim the price of its evening edition from 30 cents to 25 to match "Tonight's" aggressive launch price. All these things, along with the over-manning which Mr Murdoch has not yet been able to cure, account for much of the losses that he is still incurring. The Post will probably lose more than $10m this year.

The Post's financial position will, of course, be helped by the disappearance of its main rival, and there is a strong chance that the cover price will be jacked back up to 30 cents before long. Analysts also believe that advertisers will be forced to reconsider their policies now that there is only one evening "showcase" through which to appeal to the late shopping and entertainment market.

But the battle will now shift to the morning newspaper front and the News's home turf. It is expected that the Daily News will regroup its forces to repel the Post's morning edition, which prints about 350,000. There would also be some logic in a truce which divided the morning and afternoon markets between the two giants, with the Post stopping the morning edition. But such an outcome seems unlikely.

Mr Rupert Murdoch—gathering strength for a fresh battle

Apart from the fact that the Post announced on Friday in response to the "Tonight" closure that no changes were planned, the morning edition is viewed at the Post as a major success which has given it a useful beachhead for its eventual all-out assault on the Daily News's domain.

"Rupert thinks the News is doomed. He wants to wipe it out," said one of his colleagues at the weekend. Mr Murdoch is believed at one point to have offered to buy the News, but was turned down.

But while the News may be licking its wounds and counting the cost of "Tonight" which will push its losses this year to $[illegible], it is far from beaten. Its position in the morning tabloid market is, by any standards, enormously strong. With a circulation of 1.5m (the largest general paper circulation in the U.S.) and a loyal readership it is not going to give up easily.

# Perkins to spend £10m on increasing engine production

BY ELAINE WILLIAMS

PERKINS, the UK diesel engine manufacturer, is to spend £10m increasing production capacity at its Peterborough factory.

The company, which has been hit badly by a slump in overseas orders, says the investment programme will enable it to meet an expected improvement in demand for some of its engines in 1983. Earlier this year Perkins announced a £7m investment in new technology, including an automated spray painting system.

The investment programme involves setting up a new production line for cylinder blocks. Perkins will use machinery from Massey Ferguson, its parent company's factory at Canton, Ohio which closed in 1979, because of *mounting* losses.

With the new line, Perkins will be able to make up to 80,000 cylinder blocks a year to supply its own engine production and to form engine kits which are sent to overseas licencees.

The company believes the increased demand will come from developing countries. The new production line, which will not lead to any increase in staff, will produce four and six cylinder blocks which will go into two engine sizes of about 66 hp and 92 to 115 hp.

Perkins builds about 200,000 engines in the UK of which 85 per cent are for export. World-wide it produces about 500,000 engines.

The diesel engines are used in trucks, agricultural machinery, boats and construction machinery. Perkins says reduced sales by these producers especially in Northern American and European markets have hit the company hard.

The North American market takes about 45,000 of Perkins' built-up engines. Some go to Massey factories, but there are other customers.

Perkins has about 150 workers on short-time out of a production workforce of 6,000. Earlier this year most employees were on a four-day week. Over the past 18 months the company has cut its workforce by about 15 per cent.

The company's turnover was up last year by 24 per cent to about £300m and it made a small operating profit. However, redundancy payments turned this into a loss and Perkins has made strenuous efforts to cut costs to help the company regain its profitability.

# Report asks for 10% cut in teacher training

By Lisa Wood

A PROPOSAL to cut teacher training by 10 per cent over the rest of the decade was made yesterday by the Government Advisory Committee on the Supply and Education of Teachers.

The committee in a report sent to the Secretaries of State for Education and for Wales, said: "Some contraction in the planned output of newly trained teachers over the rest of this decade is inevitable."

It concluded that the planned output of newly trained teachers should be lowered from 17,000 to 15,500 a year, a reduction of about 10 per cent.

This would produce about 13,500 new teachers a year because one in nine newly qualified teachers do not seek posts.

The report said there should be a reasonable match between the system's output and the employment prospects of newly trained teachers.

The advisory committee was *set up last year under the chairmanship* of Dr Clifford Butler to advise on the development and implementation of national policy for the supply and education of teachers.

It said a planned reduction would preserve "important sources of certain specialisms."

# Reproduction furniture from a stately home

Rhys David looks at a Merseyside company using a novel idea to boost jobs and exports.

SOME OF the more exclusive American homes and boardrooms are being graced with examples *of the best* furniture from Speke Hall on Merseyside.

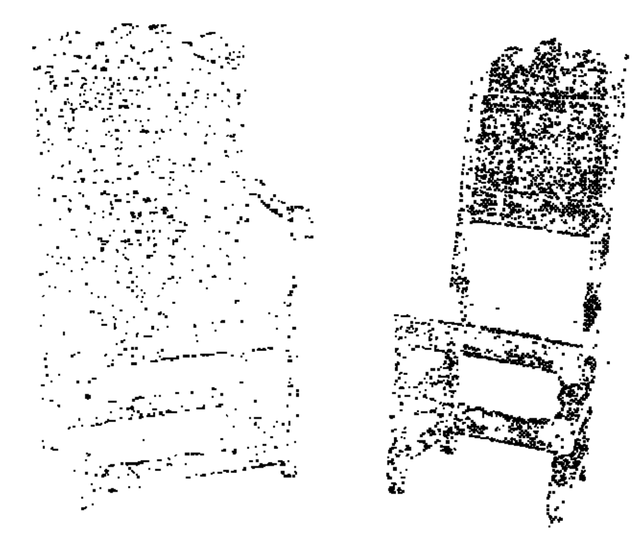
But it not the antiques from the stately home that are being sold off, but remarkable copies made by a company of cabinet makers in a period farmhouse not far from the vast Ford works at Halewood.

The company, Gostin, was originally restoring antique furniture but its owner, David Simpson, a *third generation* furniture craftsman, decided to make copies for the American market when supplies began to dry up.

He has designed and built everything from the biggest *Welsh dresser in the world* to antique staircases, Tudor rooms, and inevitably four-poster beds.

Nearby Speke Hall, a superb half-timbered house filled with fine early furniture in the 19th century by its then owner Richard Watt, was an obvious source of additional inspiration. Its latest custodian, Merseyside County Council, was only too willing to help.

The Speke pieces being *made by Gostin, in return for* a small royalty payment to the council, are a late 17th century panelled back carved chair at £320, an armchair (usually wrongly called a carver) from roughly the same period for £380, and a magnificent long table, again from the 17th century, for £880.



Examples of Gostin products

Another deal has been lined up, again with Merseyside Council, to reproduce Napoleonic furniture from the Lady Lever art gallery at Birkenhead. Among the commissions won by the company was building oak furniture for the recent television performance of Arthur Miller's play, The Crucible.

About 80 per cent of the furniture goes to the U.S. and Simpson goes there two or three times a year to talk to interior designers, many of whom also visit his Liverpool workshop.

One such visit resulted in *an order for an antique desk* for a senior executive of Mobil Oil in Dallas, one of a number of American businessmen using Gostin furniture for a more distinguished office appearance. Another order is for an Adam-style circular table with inlaid marquetry of hawks sitting among flowers for an Arab sheikh, the company's first *order from the Middle East.*

So far about 20 sets of the Speke furniture have been sold and the company has increased its staff to 22, including seven apprentices recruited under the Government work experience scheme.

As well as making its own small contribution to employment on Merseyside, Simpson points out that Gostin is helping to keep alive skills that would otherwise die. The apprentices are being trained by a handful of older cabinet makers, drawn from a pool of skilled men, some of whom once fitted out the luxury liners built on Merseyside.

There are many more such men available, Simpson believes, and he hopes to tap their skills when he makes his next move. Gostin is turning down orders because of lack of space but is hoping to treble employment and output with a move to bigger premises.

The company has looked at modern premises but decided such a home would not fit its image and would disappoint U.S. visitors. Instead, Simpson is hoping to move before *the end of the year into an* old boatyard offered by Liverpool Corporation, where skiffs for the West African trade used to be built. Based on Liverpool's waterfront, the company would be even better placed for improving its export market.

# First J-car comes off assembly line

By John Griffiths

THE FIRST production "J-car," Vauxhall's successor to the Cavalier medium saloon, was driven off the Luton assembly line yesterday by Mr Ferdinand Beickler, the company's chairman.

Most of the £20m installations for volume production have been put in place during the past three weeks, while Luton's 12,000 workforce has been on its annual break.

Vauxhall says it is on schedule with production of the front-wheel drive car, which is to be launched in the UK at the end of next month.

It plans to have about 3,500 cars in dealers' showrooms for the launch.

The J-car is General Motors' "world car" in the sense that versions are being or will be built in most main car markets, using common components made in high volume at key plants throughout the world.

An identical version to be built in West Germany, for example, will replace the Opel *Ascona.*

Vauxhall and Opel are merging their retail networks in the UK, and the J-car is regarded as providing the principal means of achieving a combined UK market share of 16 per cent by 1985, against last year's combined level of 9 per cent.

# Rayner methods 'improve Civil Service reviews'

BY GARETH GRIFFITHS

MANAGEMENT efficiency reviews within the Civil Service have improved because of the tighter techniques introduced by Sir Derek Rayner, the Prime *Minister's adviser on efficiency.* The techniques have switched the emphasis of monitoring away from a nuts and bolts approach to manpower, to subjects involving high policy.

Mr Philip Nash, an assistant *secretary in charge of manpower* services in Customs and Excise, writing in the Civil Service department magazine, Management Services in Government published yesterday, argues that the Rayner exercises have introduced an urgency in implementing recommendations on changes because of their greater backing and clout.

Since the Government started such reviews under Sir Derek Rayner in 1979, there have been 68 departmental scrutinies, and one government-wide review of the statistical services. Forty separate reviews are planned for this year including the use the Foreign Office makes of diplomats overseas; Post Office errors; and *the international* work of the Energy Department.

The article says that in the past some government departments have left efficiency reviews to their less able and lower ranking staff. The review staff used by Sir Derek Rayner have been drawn from able staff at Principal level or above, and the 90 days allowed for such reviews have created a deadline system. This has led to tauter disciplines.

These include the involvement of ministers and senior *officials in the scrutiny from* beginning to end; the relative independence of the examining officer and his freedom from internal committees and the outside backing of Sir Derek and ultimately the Prime Minister. The scrutineers also challenge the existence of the activities under review.

The pressures for implementing reviews include greater publicity, a political will to see change and the "valuable assumption that change will surely occur." It is this greater clout that distinguishes the Rayner scrutinies from what preceeded them, Mr Nash concludes. Manpower services practice in the Civil Service must strive for something similar.

The article says that left to their own devices, departments too often regarded efficiency reviews as low level stuff. It says a generation of "organisation and methods chaps" were *for the most part* allowed only to look at nuts and bolts rather than the more elaborate and increasingly expensive machinery of government.

The article's arguments are very much in line with Sir Derek Rayner's assessment of his work which he outlined to the Commons Treasury and Civil Service committee last month.

# Campaign against accounting standards

BY ROSEMARY BURR

TWO West Sussex accountants have launched a campaign for the abolition of SSAP 16, the current cost accounting standard.

Mr David Keymer and Mr Martin Haslam, partners of Keyser, Haslam, have a long history of opposition to current cost accounting.

In 1977 they successfully masterminded a campaign to scupper the introduction of ED 18, the forerunner of SSAP 16.

Three weeks ago they invited opponents of SSAP 16 to write and tell them *their objections* and experience of implementing the standard, which affects public companies and large private ones.

Mr Haslam said he was surprised at both the volume of responses and the ill-feeling vented on the current cost standard. He said the partners had received about 40 letters, about half of which were from public companies.

The plan is to wait until the end ofthe year and *hten obtain* the 100 signatures needed to call a special meeting of the Institute of Chartered Accountants. The institute does not have to act on any vote taken by such a meeting, but it did after a similar meeting on ED8 voted to overthrow the setandard.

Mr C. Morgan, the institute's director of accounting standards said: "The institute is not worried about this campaign as most people appreciate that this *is only the first year of a three-*experiment. It is true that some companies, particularly smaller listed companies have some problems and that with no comparisons it is not easy to make sense of CCA figures."

He pointed out that just over 90 per cent of the 850 listed companies which submitted their accounts during the first half of this year complied with SSAP 16.

# UK NEWS

## Shop spending slips back in six-week period

BY DAVID CHURCHILL AND PETER RIDDELL

SPENDING *in the shops* has slipped back in the past six weeks despite the traditional summer bargain sales.

Department of Trade provisional figures published yesterday show that the volume of *retail sales last month fell back* from the high June level of 111.7 to 110.5 (1976 = 100, seasonally adjusted) and from 110.5 in May.

This pattern may be because some retailers started their main summer sales earlier than normal. While these promotions gave a slight boost to trade when launched in June, their impact tailed off much faster than usual.

The Argos discount stores chain says that in the first fortnight of July sales were more than a quarter down in value against the same period in 1980.

Though the cut-price promotions produced a 13 per cent increase in value of trade in the sales period, turnover in the last two months is still about 4 per cent down on last year.

Mr Tom [illegible], chairman of Argos, described the present trading picture as "depressing." He saw little chance of volume increase in the second half.

Mr Ray Burgess, managing director of British Home Stores, said that trade was "very difficult" and shows no sign of improvement."

Mr Burgess added that sales remained "surprisingly buoyant" in most of Scotland and the North, despite the high unemployment in those areas.

Most retailers report that the public holiday for the Royal Wedding led to a loss of sales, with no extra boost to trade either before or after the wedding. "It's almost as if consumers were thankful of an excuse not to spend money," said Mr Burgess.

The warm weather has increased sales of garden furniture in most stores, but the John Lewis Partnership reports that the heat kept customers away from some stores.

The trend of retail sales appears to be gently downward from the high levels of last winter. From May to July sales were 1 per cent less than in the previous three months.

*This reflects the squeeze on* real incomes caused by the lower pay rises of the current wage round.

Spending in recent months has still been about 2 per cent higher in volume than in the same months of 1980. There appears to have been a squeeze on retailers' margins, judging by the figures for sales by value. In July value of trade was 8 per cent higher than a year earlier.

In the first seven months of this year average value of sales was 10 per cent higher than in that period of 1980.

ENGLAND duly retained the Ashes at Old Trafford yesterday, clinching the series 3—1, but not without a few scares as *Australia bent to the task* of scoring an improbable 506.

It was an enormous total to chase: after all, no side batting fourth has ever made such a score.

England seemed set to go 2-0 down in the series at Headingley until Botham, the captain who resigned a whisker before being sacked, turned the match upside down with an innings of 149 that left sportswriters searching for superlatives.

England stole that Test and the next one too as Botham took five wickets for one run when Australia were cruising towards a modest 130 and victory.

And Botham, made man of the match yesterday, did it again in this Test with an innings rated by many as the greatest of all time.

Australia needed 296 with just six wickets left yesterday, and it seemed only the last rites had to be conducted. But a stirring innings by Border, 123 not out, despite a broken finger, and 47 by Marsh, pictured sweeping Emburey for four, took Australia uncomfortably close to an unbelievable victory. They were all out just after tea for 402, their highest score of the series, and 103 runs adrift.

## Process industries set to spend £16bn

By Martin Dickson

BRITAIN'S process industries are expected to spend £16bn on capital projects over the next three years, with process plant taking up £6bn of the total.

This forecast was made *yesterday in a report** published by the process plant economic development committee, the industry's little Neddy. The estimate is in 1980 prices and covers investment in chemicals, oil and gas production, oil refining and distribution, gas, electricity generation and steel.

Overall capital expenditure *in 1981 is expected to* be 6.5 per cent higher than in 1980 in real terms, with a further 6.5 per cent increase in 1982. This is largely the result of increased spending on oil and gas production and electricity generation. But in 1983, total investment is expected to be lower as spending on electricity generation *and chemicals falls.*

The chemicals sector is expected to spend £1.11bn on capital projects this year, £1.09bn next year and about the same in 1982. It will spend £556m on process plant this year, £549m in 1982 and £546m in 1983.

However, the survey points out that 16 per cent of total *chemicals expenditure will* be for nuclear fuel treatment plant and that if this is excluded, "mainstream" chemical industry investment will fall 21 per cent in real terms in 1981, with further *small falls in succeeding* years.

It adds that a much larger proportion of spending in this sector is being devoted to replacing older plant, energy saving and other cost reducing *or efficiency measures.* These account for 55 per cent of total expenditure compared to 45 per cent in the past.

In 1980, total capital spending by the chemical and allied industries represented 19 per *cent of expenditure within* UK manufacturing.

On offshore oil and gas developments, the report says 10 orders for fixed production platforms are expected in 1981-82 and a further five are possible. *Nine further orders* are possible between 1983 and 1985.

However, expenditure on offshore structures is expected to decline from £373m this year to between £58m and £68m in 1986.

**Process Industries Investments Forecasts 1981. £10 from NEDO Books, Millbank Tower, Millbank, London, SW1 4PQX.*

## Fair Trading Office acts on steel roll

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

THE Office of Fair Trading plans to take court action over two secret price-fixing agreements *made by steel roll manu*facturing companies in the UK and in Europe.

The agreements involved the Davy Roll Company, a subsidiary of the Davy Corporation, and the British Rollmakers Corporation.

The Office of Fair Trading yesterday formally placed both *agreements* on the register of restrictive trade practices in London. This means that the agreements are declared null and void and that legal action for compensation can be started in the civil courts.

The first agreement put on the register yesterday covered the period 1962 to 1980. The agreement between Davy and *British Rollmakers* related to an exchange of price information for the supply of steel rolls to the UK market. The British Steel Corporation is the main customer for these rolls.

The OFT also said yesterday that Wombwell Foundry and Engineering was also believed to be party to some of the restrictions up until 1974.

The second *agreement* was made between Davy and British Rollmakers and companies from Germany, France, Belgium, Sweden, Austria, and Italy. This agreement covered a period between 1971 and 1977 and related *to prices charged for exported* rolls.

Although both agreements had already been terminated, the OFT had no option but to place them on the public register when discovered.

Under the restrictive trade practices *legislation*, companies can lawfully operate restrictive trade agreements only if details are given in advance to the OFT to be placed on the public register. The agreement can then operate lawfully until the courts decide if it contravenes the public interest.

Agreements which are not registered in advance—as in the Davy and British Rollmakers agreements—are automatically declared null and void when uncovered.

The OFT plans to take court action under Section one of the *1976 Restrictive Trade Prac*tices Act to seek a legal ruling that similar agreements should not be made by the two parties.

Although British Steel was the victim of a restrictive trade agreement in this case, the OFT *has also uncovered details* of several restrictive agreements operated by British Steel over the past decade. Three of these agreements were placed on the public register last week and more may be revealed later.

Some of the information uncovered by the OFT in the Davy and British Rollmakers agreements was brought to light by the *German Federal Cartel* Office in June last year.

● The result of the Monopolies and Mergers Commission inquiry into the Enserch bid for the Davy Corporation is likely to be published later next month.

## Argos renews complaint over supplies refusal

BY DAVID CHURCHILL

THE ARGOS *discount stores* chain has given the Office of Fair Trading information about which companies are still refusing to supply it with branded consumer goods.

The list of companies includes *several cosmetic and perfume* makers as well as sports goods manufacturers and Japanese audio equipment companies.

These companies refuse to supply Argos with their goods because they feel Argos's price-*cutting policies will undermine* their traditional markets.

It is unlawful for manufacturers to refuse to supply retailers because of their pricing policies, but in practice it has become difficult for this to be proved in the courts.

A previous complaint by Argos about refusal to supply, involving the Nottingham bicycle manufacturer TI Raleigh Industries, led to an investigation by the Office of Fair Trading under the Competition Act, which came into force last year. A similar inquiry was undertaken into the Sanderson wallcovering company's *distribution policy.*

In spite of the refusal by some companies to supply Argos, the company still manages to get supplies of most refused products from other sources.

Meanwhile, Argos published its new August catalogue yesterday. Prices are the same as in *the previous spring catalogue.*

Argos also plans to open seven new showrooms in the next three months in a development programme costing over £6m. At the end of the period, Argos will have increased its selling area by 175,000 sq ft.

## Moss Side evidence heard

By Lisa Wood

A COUNCIL inquiry into Manchester's Moss Side riots was told yesterday that the rioting was caused by local people wanting to make the point that they were "fed up with harassment by the police."

The *allegation* was *made by* a 20-year-old black man who declined to give his name or address when called to give evidence on the first day of the inquiry at Manchester City Football Club's social club.

The man, who lived in Moss Side, said local people no longer believed it was any use to make *complaints to the police about* either police brutality or crimes.

There were few witnesses in the opening hours of the independent inquiry, organised by Greater Manchester Council and chaired by Mr Benet Hytner. The Moss Side Defence Committee, set-up after the riots had called for a boycott of the proceedings—and had picketed the building. The inquiry is expected to last three weeks.

However, in the afternoon therewere about 50 people in the public gallery and black and white people queued to give evidence.

Two local councillors *testified* there was large scale distrust by residents of the police. Mr Arnold Spencer, a Labour member of Manchester Council, said he shared that lack of confidence.

*Mr Spencer* said a 61-year-old white resident had told him that the attack on Moss Side police station was possibly "the best thing that had happened for years." Mr Spencer emphasised that the man did not condone rioting but expressed a feeling rife in Moss Side.

Four people selected by Mr Bernard Clarke, leader of Greater Manchester Council are sitting with Mr Hyther.

They are to assess the causes of the riots, police handling of the *incidents* and to make recommendations as to how similar incidents might be prevented.

## Rescue of Ronson Products fails as debts of £[illegible]m are revealed

BY JAMES McDONALD

A RESCUE operation for Ronson Products the lighter and electric shaver manufacturer put into receivership last Friday by Barclays Bank, collapsed earlier last week when it was found that the bank was owed nearly £[illegible]m compared to an earlier estimate of £9m.

Kleinwort Benson, the merchant bankers, and Finance Corporation for Industry, the investment group backed by City banks and financial institutions, were involved in the rescue attempt. Kleinwort Benson said yesterday that the bank was no longer interested in a further [illegible].

But Finance Corporation for Industry said that although FCI had withdrawn from [illegible] negotiations with the appointment of receivers, it was still prepared to work with [illegible] people in the "purchase of assets."

One reason for the breakdown in the rescue operation was believed to be a rapid acceleration in Ronson Products' losses over the past few months.

Lack of finance for the company's operations has also been a problem. Although Ronson Products' main remaining factory at Leatherhead, Surrey, has a reasonably good order book, cash flow has been acute and suppliers have been refusing to deliver materials.

The Price Waterhouse receivers appointed by Barclays Bank yesterday sent home about 500 of the 1,000 workforce at Leatherhead, offering a guaranteed minimum wage for the rest of this week. Most workers had just returned from their annual holidays.

Much of yesterday was spent by the receivers talking with suppliers and trying to get a resumption of supplies. The receivers are trying to sell the company as a going concern.

Ronson Corporation, the [illegible] U.S. parent company, [illegible] yesterday that it had an obligation to [illegible] its English subsidiary's debts of approximately $[illegible] to Barclays Bank." It was continuing talks with major lenders "with the purpose of disposal of its English subsidiary as a going concern."

Ronson Products has already closed plants in the Isle of Wight and Northumberland. It has a smaller remaining plant making shavers in North Shields.

Ronson has been hit badly by the inroads of disposable lighters, made mainly by Bic, Feudor and other European manufacturers.

Last year 11.5m lighters were made in the UK compared to 15.6m in 1979.

It is estimated that 25 per cent of the lighters bought in the UK last year were imported disposables, and another 25 per cent *were cheap refillable* lighters, also mainly imported.

Ronson retained 25 per cent of the market in quality refillable lighters with the remaining 25 per cent held by trade names like Dunhill and Colibri.

*Over the past five years there* has been an increase in lighter sales in Britain but Ronson's share has been static.

## Geothermal research underway

By Martin Dickson, Energy Correspondent

A RESEARCH programme to help establish whether the UK could generate electricity from *the heat of underground rocks* will be taken a step further today when drilling begins on a 6,000 ft well near Penryn, Cornwall.

The well is one of two being sunk at a disused quarry by the *Camborne School of Mines* to study ways of fracturing granite underground.

Finding a suitable means of fracturing the rock is a key to the exploitation of geothermal energy-heat contained in rocks *deep below the earth's surface.*

In theory, the heat can be tapped by drilling two boreholes into rocks, fracturing the ground between them, pouring water down one hole and extracting steam from the other.

*The Camborne team is look*ing at ways of fracturing the ground with high pressure water. In the U.S., scientists are experimenting with explosives.

The Department of Energy, *which is providing £6m for the* Cornish work, believes rock conditions suitable for geothermal exploitation can be found in the granite of the Cornish peninsula and East Scotland.

Mr John Moore, a junior Energy Minister, estimated last year that the granite rocks of South-West England contained the heat equivalent of 6bn *tonnes of coal, although* the added that geothermal technology was in its infancy and the economics had yet to be proved.

The Camborne hot rocks programme is different from the *Southampton City Council's plan* to use geothermal energy. It plans to tap 70 deg C water more than a mile underground to pro*vide a heating* system for a large part of the city centre including a £110m shop and office complex.

This will be the first commercial exploitation of geothermal energy in the UK. It will cost *nearly £3m to develop.*

## Things go better with West German Coke

By Gareth Griffiths

THE hard sellin', thirst quenchin', fast movin' Coke that British consumers drink this summer could well come from West Germany or Holland.

*It is a development* which has upset the Coco-Cola operations in the UK because the cans from West Germany and Holland are cheaper than those sold in the UK, although the ingredients and the *quality are the same.*

Suppliers last summer discovered that the relative strength of sterling made it cheaper to import Coca-Cola from Holland.

By November the main *source of supply had shifted* to West Germany. The Coca-Cola Export Corporation in London estimates 1.5m cases are imported out of a total British market of between 13m and 14m cases a year.

Mr Roy *Marwood*, Coca-Cola's legal manager in the UK, says the imported drink is mainly being brought over by small suppliers for cash and carry outlets, although the Nurdin and Peacock chain *is involved. He said these* were several reasons for the cheaper price.

The West Germans drink four times as much Coca-Cola as the British which meant a much larger domestic market for the franchised bottling companies in West Germany. Mr Marwood said prices were consequently lower, *with a can costing an* average 12p in West Germany and between 17p and 25p in the UK.

The strength of sterling had *meant* that UK purchasers got relatively more *for German marks and Dutch* guilder, and he added that the British distribution system worked to higher profit margins than in West Germany.

Common Market regulations ensure that goods produced within one member country can be exported to another. poration exported British Coca-Cola *to Holland* in 1977

The *importers* of foreign Coke, who buy 70 per cent from West Germany and 30 per cent from Holland, pay £3.30 for a 24-can case compared to an average £3.55 for a *British* case.

Coca-Cola's headquarters in A tlanta, Georgia, is no interested i n the *problem*, saying that it simply supplies the "secret syrup" which is the basis of the drink.

## Halifax reports record lending in the half-year

BY WILLIAM COCHRANE

THE HALIFAX, Britain's largest building society, reports record half-year lending and *assets up by 6.1 per cent* to £11.24bn in the half-year to July 31 last.

During the half-year mortgages completed by the society totalled £1.14bn, a rise of £207m on the corresponding period of *1980-81. Of the total,* £1,035bn was lent on 71,316 new mortgages, £82.8m was lent to existing borrowers for home improvements and mortgages to the value of £24.6m were transferred to new borrowers.

*Of the number of advances* made, 46.4 per cent were to first-time purchasers, 31.8 per cent were on properties *built* prior to 1919 and 27.3 per cent were to people 25 years of age or under.

The Halifax says net offers of loans in the half-year under review—almost exactly the same total as mortgage completions, at £1.14m—"is well in line with our planned lending *figure* for the full financial year."

The society's investment inflow for the six months to July was £628m—against £705m—in the first half of the previous year and £877m—for the second six months of 1980-81.

Liquid funds at July 31 stood at 17.4 per cent of total assets.

## Vaughan visits Liverpool for area health talks

Dr Gerard Vaughan, the Health Minister, visited Liverpool yesterday to discuss government proposals which would split the Liverpool area health authority in half.

But he has hinted he may change his mind about the controversial plans to reorganise the health service there.

Dr Vaughan said: "I want to find out what is best for Liverpool, and if that means reverting to the single authority system, then I'm quite prepared to change the proposals."

The reorganisation plans, announced by Mr Patrick Jenkin, Social Services Secretary have run into heavy criticism from doctors, administrators and MPs.

*The authority would be split* into two on April 1, with 11 new present fiveand 10 district areas.

A meeting with area health authority executives about the proposed split heads Dr Vaughans' agenda.

He visited Princes Park Hospital in riot-torn Toxteth yesterday and spoke to nurses *and ambulance workers* who evacuated elderly patients during the height of the recent troubles.

Dr. Vaughan follows Mr. Michael Heseltine, the Environment Secretary, who spent *three weeks in Liverpool*

His visit proved much more popular in the city than expected and Government Ministers are now conscious of a feeling on Merseyside that for the first two years of its term, members of the *Government* were perceived as not visiting the area enough.

## Petrol prices investigation urged

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

THE LABOUR PARTY yesterday called for a Government investigation into petrol prices. Mr Albert Booth, the Shadow Transport Minister, wrote to Mr Norman Fowler the Transport Secretary, claiming that the rapid increases in petrol prices—together with the cuts in public transport services—threaten the transport of both people and freight.

Mr Booth quoted information given to him by the Transport and General Workers' Union which, the *union claims*, shows that Shell UK, the price leader in petrol, has been "substantially under-recording" the true level of its profits and that "[illegible] profits must be taking place on a massive scale."

In view of these allegations, an inquiry should investigate the grounds for the latest increases, he said.

Mr Booth's letter followed reports yesterday—later dismissed as premature — that petrol prices are about to rise again.

It comes at a time when the TGWU is attacking Shell's pricing policy.

Mr Booth's fears about the impact of petrol increases on rural areas may also strike a chord with some Conservative Party MPs representing country constituencies.

He said he was particularly concerned that, when both the rail network and *the rural bus* services were under threat, and there was therefore an increasing dependence on private motoring, the rising price of petrol and diesel fuel was having a "dramatic effect on *personal mobility.*"

If public transport was being properly financed and expanding, he could understand the Government policy of attacking private motoring. "But, at present, the worst of all worlds is being created."

## Inflation rate may rise again later in year

BY OUR ECONOMICS CORRESPONDENT

THE INFLATION RATE may edge upwards again later this year, says the latest report from Incomes Data Services.

The rising trend will become apparent as the effects of the recent fall in the value of the pound work through to input prices, *it states.*

The inflation rate remains a major influence on pay settle*ments.* "As the annual rate of increase has levelled off, the pattern of pay increases has stabilised, after a period when the broad range of settlements fell quite sharply, more or less in line with the inflation rate."

A further report from Incomes Data Services notes that workers *in many industries* work more hours than in the rest of Europe.

The report makes the point that although large numbers of British workers have negotiated a reduction in weekly hours, in Sweden and in many *industries* in Belgium and West Germany working time measured over the year is less than in Britain.

## Guardia Shutters continues battle with VAT officials

TOMORROW THE eyes of many in the double glazing industry will be focused ont he next round of a little publicised fight between a small private company called Guardia Shutters *and the* VAT Commissioners.

Guardia Shutters is not involved in the double glazing business, but it makes thermal insulating shutters, a product which competes directly with double glazing.

The story *starts in 1979 when* Guardia sought to obtain equal treatment with double glazing *manufacturers* by the VAT man. Since VAT was introduced the VAT Commissioners have treated the installation of double glazing *as an alteration* to a building and zero rated it for VAT.

**Tim Dickson looks at the arguments over the distinction between thermal insulating shutters and double glazing for tax purposes**

The Commissioners said in a letter *turning down the company's application*: "We may have been rather generous in the early days in relation to the zero rating as covering the installation of double glazing . . . We have not so far sought *to reverse the ruling* but it would be quite wrong in our view to agree to a new zero rating on the basis of a very dubious [illegible]."

Guardia Shutters then decided on the principle of "If you can't *beat 'em, join 'em*" to take a new case before the VAT tribunal. It supplied one of the company's directors with double *glazing—as opposed to thermal* insulating shutters—and obtained a ruling from the Commissioners that the installation was zero rated.

Guardia then appealed on the *unusual grounds* that it should be taxed at the standard rate—and won. Mr Hugh [illegible], who represents Guardia, said, "The Commissioners appeared at the tribunal to argue the [illegible] and when they lost took the matter to the High Court. They have declined to implement the ruling of the tribunal which was that the installation of secondary double glazing should be taxable, at the standard rate."

Meanwhile Guardia was feeling the competitive pressures and has been forced to sell its *thermal insulating shutters* without charging VAT. As a result two assessments have been made on the company for £[illegible] which Guardia claims it cannot pay without going into liquidation.

The company is certain that other assessments would have been made by now if the Civil Service strike had not knocked out the Customs and Excise computer at *Southend.*

Guardia wants to appeal against these assessments but the Commissioners will not allow it to do so until Guardia has paid the tax. Hence the next chapter in the saga to*morrow, when Guardia will be* applying to the VAT tribunal for leave to appeal without payment of the tax.

There remains, however, the Commissioners' own appeal in the High Court against the *tribunal's ruling* that double glazing should be taxable. Guardia is worried that if it loses tomorrow this will not take place because the respondent (Guardia) will be in liquidation.

# Engineers turn back the clock

A century-old design has been adapted to fill a gap in the boiler market, writes Rhys David

TOM GIBSON and Chris Wells, trained engineers in their thirties, have set out to turn back some of the pages of engineering history.

The men, succesfully established in large engineering groups, decided in 1978 that a boiler design in use more than a century ago could, with modifications, fill a gap in the market.

The result is that their small Leeds company, Gibson Wells, has just snapped up a £250,000 contract to supply the boiler to the Illingworth, Morris subsidiary, Woolcombers.

THE NEW ENTREPRENEURS

They hope that the Woolcombers' boiler will be the first of a series of contracts they will win with their back-to-basics design. The depressed boiler-making industry is also beginning to take advantage of Government assistance for companies replacing old and expensive oil-fired boilers with coal-burning equipment.

Where a smaller boiler is required, Mr Wells, managing director, explains, a fire tube tyre—with heat passing through pipes surrounded by water—is usually specified. In bigger installations the process plant industry uses water tube types where hot circulating gases pass over the pipes which have liquid in them.

Mr Gibson and Mr Wells spotted a gap in the middle of the market for boilers of 25,000 lbs per hour upward. The greater efficiency offered by the water tube type tends to be offset when used in smaller systems by shaping and welding costs. This problem could be overcome, the two decided by going back to straight tube systems.

These were largely abandoned in the 19th century because they were unable to handle the increasing pressures but could make a comeback, it was concluded, with the use of modern materials.

Mr Gibson, Mr Wells and Mr David Walker decided to back this confidence by raising money on their personal assets, and the company was established in November 1978 with an equity of £25,000. The expectation, Mr Gibson says, was to achieve a turnover of £50,000 the first year, rising to £500,000 after 10 years. Turnover in fact in 1979 was £230,000 and last year reached £1m. Profits have been modest but this year turnover is projected at £1.7m.

The first order the company won was from the Glengarioch Distillery in Scotland which wanted to re-use waste heat from its stills. The Gibson Wells boiler, supplied at a cost of £50,000, had the advantage of being smaller than a fire tube equivalent and could be fitted into the limited space in the distillery. It now converts heat, which previously escaped, to warm two acres of greenhouses in which the distillery grows tomatoes.

Tom Gibson (left) and Chris Wells set on back-to-basics design

The next order, for three 50,000 lbs per hour coal-fired and one 50,000 lb per hour multi-fuel boiler for BSC Chemicals, at Orgreave in Sheffield, was won only after an initial problem had been overcome. BSC liked the system but was reluctant to place a large order—worth more than £1.4m for boiler equipment alone—with a small and untried supplier. Gibson Wells, however, persuaded Vosper Thornycroft to bid for the total contract and supplied the boilers as sub-contractors.

The Orgreave Order in 1979 was an important milestone for the company and it was forced to recruit a team of design engineers and draughtsmen. To house the growing staff—now about 30—a former vicarage that had been converted into offices at Calverley, between Bradford and Leeds, was acquired.

They had already decided not to become involved in manufacturing as substantial machine shop capacity exists in the UK.

"Once you start manufacturing you have to start worrying about keeping the plant and labour force busy with orders. There is no shortage of people who can make what we want," Mr Wells notes.

The two founders admit they have struggled in the past 18 months to find orders to keep the skilled engineering staff built up for the Orgreave order fully occupied. Economies in overheads had to be made towards the end of last year, though the company avoided redundancies.

This year the pressure has eased, partly as a result of a Gibson Wells move, with National Coal Board encouragement, to exploit the potential for linking its boilers with fluidised combustion technology.

The vertical configuration of the pipes in a water tube system give the height needed for the efficient use of the heat generated in a fluidised bed boiler. As such, it is better suited than conventional fire tube boilers where a horizontal pipe lay-out is used, Mr Wells says.

In April this year, the company won its first order for a fluidised bed coal fired boiler from the Derbyshire dyers company, Stevenson. At 50,000 lb per hour, it is claimed to be the largest of its type in Europe and will replace a previous oil-fired system. The £750,000 total project cost is likely to be recovered in only two years in energy savings.

The Woolcombers contract, the seventh boiler the company will have built, extends the order book at a vital time. It is important for another reason. The 25,000 lb per hour boiler, which will be used to burn waste materials generated in wool cleaning, as well as coal, is the first of a standard design produced by Gibson Wells and will, the company hopes, form the basis for further orders.

The boiler will be equipped, too, with microprocessor controls to optimise combustion, using a standard logic package being developed by Gibson Wells, which will also be adaptable to other boilers.

The company's product range includes its own design of economiser—a heat exchanger fitted to boilers to recover the heat in exhaust gases—and its ambitions now extend beyond the UK market to the U.S., Europe, and Asia.

A subsidiary has been set up in Atlanta, in the U.S., a market which, because of cheap energy, has only recently woken up to the need for efficient boiler design. Gibson Wells is also hoping to win orders in the Middle East from a base recently established in Pakistan.

The main problem facing the company, Mr Gibson admits, is its undercapitalisation. But he and his partners feel that the terms on which institutions are prepared to inject capital involve too much loss of control. To secure the credibility needed to expand their order book more quickly, the company's management is considering partnership with an industrial group. An announcement may be made within the next few weeks.

If a deal is concluded it will be for a minority stake only, however, and neither Tom Gibson nor Chris Wells will be retiring to the West Indies just yet.

Their product, they believe, offers an efficient method of generating heat from coal—the fuel of the future for many countries reducing their dependence on oil. In Britain the Government has set aside £50m to be used to pay grants of up to 25 per cent towards the cost of conversion by industry from oil to coal. This in theory could result in a £200m market for suppliers over the next two years. Gibson Wells hopes for a fair slice of this with the Woolcombers boiler on offer as an off-the-shelf package from next year.

# Deal likely on Bristol dockers' severance

By Our Labour Correspondent

DOCKERS AT Bristol are likely to be the first to take advantage of the offer by the National Association of Port Employers to raise the limit of severance pay from £5,500 to £16,000.

Shop stewards of the Transport and General Workers' Union decided yesterday to put the offer to a mass meeting of the 1,000 workers on Thursday.

Some 300-400 dockers at the port are being sent home on basic pay each day because no work is available. The port lost £14.8m last year, and employers would like to cut 400 dockers from the workforce at an annual saving of £2m.

Mr Vernon Webb, Bristol Dock group secretary of the TGWU, said that stewards had accepted that as many as 400 dockers could go. However, acceptance of the offer would be up to his members.

The offer will be open throughout September and October.

## Social security delays continue

Delays will continue in the payment of social security benefits despite the end of the 21-week action by civil servants.

The Department of Health and Social Security said yesterday that existing emergency arrangements would continue for the time being.

In a letter to MPs, Mr Patrick Jenkin, the Social Security Secretary, said that getting back to normal was a huge task which would take a long time in some areas.

## Bid to ban overtime at Cowley defeated

A move to ban overtime on the new BL Triumph Acclaim production lines at Cowley was defeated yesterday though workers claimed that a meeting had shown a clear majority in favour of the ban.

But senior shop stewards said that the motion was lost, though they agreed to take workers' grievances to the management.

## Four-day week move at sweets company

CONFECTIONERY manufacturer Barker and Dobson has told the 280 production workers at its Liverpool plant that they must accept rescheduled working practices or the plant will be closed.

The plan to cut the 40-hour week to 37 hours worked on four days without loss of pay has already been accepted by the company's plants in Bury and Nelson.

# Support growing for rail strike among other transport unions

BY OUR LABOUR CORRESPONDENT

SUPPORT FOR the rail unions in a future rail strike is growing among other unions whose support would be vital to a successful stoppage.

Action taken by other unions to stop goods being diverted from rail to other forms of traffic would be likely to breach the provisions on secondary action in the 1980 Employment Act, and could lead to the first major confrontation between the unions and the Government.

The 2m-strong Transport and General Workers' Union has told its regional secretaries to instruct their members not to carry freight normally carried by rail, and to co-operate with action organised locally by the rail unions.

The National Union of Seamen and the British Airline Pilots Association have also indicated their intent to support the railwaymen.

However, the effectiveness of the support will depend overwhelmingly on local organisation. The rail unions plan to use the network of trade councils to co-ordinate local action, drawing in the support of other unions as required.

A direct appeal to the unions to pull back from strike action is likely to come from Sir Peter Parker, BR's chairman when he presents his half-year's results today.

Sir Peter's message is expected to be a harshly realistic one. BR is expected to announce an overrun of £100m on its external financing limit for the full year 1981-82, as freight and passenger traffic remain at low levels.

Informal talks between BR and rail union leaders have still produced no basis for formal talks—though BR remains hopeful that these can take place later this week. The militant train drivers' union Aslef said yesterday that it would attend any meeting BR cared to call, but still insisted a full payment of the two-stage 11 per cent deal without productivity conditions awarded by the Railway Staffs National Tribunal.

Support for the strike is also growing in the ranks of the rail unions themselves. The National Union of Railwaymen said yesterday that mass meetings on the action were now enthusiastically endorsing a strike where two weeks before they had been more cautious.

The Advisory, Conciliation and Arbitration Service has made it clear to both sides that it will be available to act as a forum for discussions though neither side have yet taken up the invitation.

British Rail has remained firm that it can only pay a further 3 per cent on top of its 8 per cent offer if the unions commit themselves to a productivity package. The two manual unions say that they will only accept the tribunal's award, of 8 per cent backdated to April 20 and 3 per cent from August 1, without prior conditions on productivity.

Mark Meredith, in Edinburgh, writes: The Scottish leadership of the National Union of Railwaymen yesterday turned down a proposal that a week-long work to rule precede the planned national rail strike called for August 31.

The Scottish Council of the Associated Society of Locomotive Engineers (Salef) agreed to the proposal at their weekend meeting during which they voted to back the national strike.

But in an interview, Mr Wilf Proudfoot, an NUR official, said no talks had been held with Salef but such a move would not have the support of his membership.

It would be against the NUR constitution, he said, which bound the membership to carry out the decision of the union's national executive.

Mr Proudfoot said his membership would use the time before August 31 to get organised so that the strike would have its maximum impact.

Representatives of Salef were unavailable to say whether they planned to go ahead independently with their action.

British Rail said a work to rule in advance of the strike would complicate efforts to find a solution.

# Railwaymen prepare battle lines

John Lloyd looks at the implications of a joint union challenge to the Government

THE STRENGTH of the alliance between the iron, coal and rail unions will be tested today when Mr Sid Weighell, general secretary of the National Union of Railwaymen, asks for the help of the other two unions in the event of a rail strike starting on August 31.

The alliance is already forged at the level where it matters: the rank and file, according to the NUR. Miners and steelworkers will not load coal and steel on to other means of transport and the meeting between the general secretaries today merely sets the seal on that understanding.

But the stand taken by other transport unions, whose members will be called upon to move freight customarily moved by rail, is even more crucial to the strike's effectiveness.

If the strike takes place with support from the labour movement, it will put the rail unions and their allies back in front of the perennial struggle of labour v. legislation — a position they have occupied on two previous, and important, occasions.

The first was in 1972 when the Conservative Government invoked the 1971 Employment Act and referred a threatened rail strike to the National Industrial Relations Court for an order requiring a ballot of members on the action. The railwaymen voted by 129,441 votes to 23,181 in favour of a strike, and the provision was not used again.

The second case came only last week when the three railwaymen challenging Labour legislation on the closed shop won their case at the European Court of Human Rights.

Could 1981 see a hat trick? And how would action by the railwaymen and sympathetic unions be likely to fall foul of the law?

Members of Aslef and the NUR who strike would not be most at risk. They would picket their places of work, but that is perfectly legal, assuming the purpose is "only of peacefully obtaining or communicating information, or peacefully persuading any person to work or abstain from working."

They could contravene the code on picketing, which is not law but can be admissable as evidence in a court of law, if the police believe that the numbers of pickets at any given entrance are excessive.

However, as the unions point out, stations and goods yards have so many exits and entrances that several hundred railwaymen could be deployed about the larger installations without more than the recommended six pickets on any given gate.

The sympathetic action taken by other unions are more at risk. If members of the TGWU picket their own transport company to stop colleagues driving lorries contracted to a BR customer who wishes to move his freight by road, that is secondary picketing, interfering or attempting to interfere with commercial contracts and therefore not covered by immunity and liable to action in tort.

The same would apply to railwaymen who attempted to picket lorry companies, docks or airports which were not their places of work.

Yet if they wish a freight blockade to be effective countrywide, it is difficult to see how such action can be avoided.

In such a case, the confrontation between unions and Government, which the latter has successfully avoided in more than two years of office, could coalesce.

The Government could scarcely ignore a widespread flouting of the law: while the unions, increasingly angered by rising unemployment levels and goaded by reports of further employment legislation in the next parliamentary session, would feel obliged to mount the strongest possible challenge. The stakes in any rail strike are higher even than the perilous future of British Rail.

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The Department of Civil Servants Affairs, Ministry of Finance and Petroleum, invites applications from qualified hands for the following posts in the Water Department, Doha, Qatar.

| S. No. | Description | No. of Posts |
|---|---|---|
| 1. | **Assistant Projects Engineer:** Qualification and Experience: A Degree in Engineering from a reputable University or equivalent leading to membership of a recognised Engineering Institute with experience of 10 years as an Assistant Projects Engineer for the *design and the preparation of contract documents* for medium and minor works associated with the development of Water distribution system. | 4 |
| 2. | **Distribution Engineer:** A degree from a recognised University with membership of an Engineering Institute and at least 10 years' relevant experience in all aspects of water distribution works with a water works undertaking. | 2 |
| 3. | **Distribution Shift Control Engineer:** Graduate degree from a recognized University plus membership of an Engineering Institute and 10 years' experience as Distribution Control Engineer. | 4 |
| 4. | **Consumer Engineer:** Minimum qualification of City and Guilds in plumbing with 10 years' *experience as a Consumer Engineer* with a water undertaking. | 2 |
| 5. | **Shift Charge Engineer:** Qualification and Experience: HNC with membership of relevant Engineering Institute with not less than 10 years' experience and recent experience obtained in a post involving similar responsibilities (emphasis placed on paeumatic instrumentation) in process control. | 1 |
| 6. | **Mechanical Maintenance Engineer:** HNC with membership of a relevant Engineering Institute with structural engineering career path with recent experience in a post involving similar responsibilites found in process industry, power station or desalination plant. | 1 |
| 7. | **Hydrogeologist:** 1st class Degree in Geology plus post-graduate work in Hydrology with at least five years' experience in Hydrological surveys (including field work) preferably in desert regions where limestone conditions are encountered. | 1 |
| 8. | **Projects Engineer:** Graduate Degree in Engineering plus membership of an Engineering Institute with 15 years' experience. | 1 |
| 9. | **Senior Distribution Engineer:** Degree in Engineering plus 15 years' experience of all aspects of water distribution with a water works undertaking or membership of Institution of Engineers with several years' experience in working for a water authority in the Middle East. | 1 |

**Scale and Salary:**

Salary as stated in State of Qatar Civil Service Laws. Group 2 Grade 3 for Serial Nos. 1 to 7 with a starting salary of QRs 4,500. Group 2 Grade 2 for Serial No. 8 QRs 5,500 and Grade 1 Group 2 for Serial No. 9 QRs 6,500.

All the posts will be given loan, gratuity, etc., according to the General Civil Service Laws.

The posts Nos. 5 and 6 also will be given 35% of the basic salary as Professional Allowance.

The applications should be sent to: Department of Civil Servants Affairs, Appointments Section, Post Box 36, Doha, Qatar, to be sent within a 30-day period.

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The Department of Civil Servants Affairs, Ministry of Finance and Petroleum, invites applications from the qualified hands for the following posts in the Electricity Department, Doha-Qatar.

| S. No. | Description | No. of posts |
|---|---|---|
| 1. | **Senior Electrical Engineer:** (Purchasing, Tendering and Contracting) Qualification and Experience: B.Sc(Elect) or equivalent (Minim). At least 10 years' general experience in the *Design, Planning,* Construction and Operation and Maintenance of Distribution Systems operating at 11KV and below. Plus a minimum of (3) years' experience in a senior position in a large Electricity supply undertaking with special responsibilities for Purchasing, Tendering and Contracting. Should be familiar with current British standard specifications, B.E.S.I. Specifications and I.E.C. Specifications. Applicants should be able to read, write and speak English very fluently. Age Group—36-50 years. | 1 |
| 2. | **Senior Engineer:** (H.V Construction-Doha). B.Sc(Elect) or equivalent (Minimum). At least 10 years' general exprience in the Design, Planning, Construction, Operation and Maintenance Distribution systems operating at 11KV and below. Plus a minimum of 3 years' experience in a Senior position in a large Electricity Supply undertaking with special responsibilities for constructional works of Complex H.V. and L.V. interconnected networks in Urban/Rural Districts. Applicants should be Senior Authorised, must be prepared to undertake field works and man Standby Rotas and must be able to read, write and speak English very fluently. Age Group—36-46 years. | 1 |
| 3. | **Senior Control Engineer:** Qualifications and Experience: HNC or equivalent, including the membership of a recognised professional institute of Chartered Engineers status. 15 years, out of which at least 10 years, should be in a system Control Centre connected with net works up to 220KV. Must have worked as Shift Control Engineer responsible for issuing switching instructions to comply with the Safety Codes and Procedures. Should be capable of Writing or Checking Switching programmes. *Should be familiar* with load forecasting techniques. Age Group—35-45 years. | 1 |
| 4. | **Assistant Engineer:** Preferably a Chartered Engineer, M.I.E.E.(U.K.). Would consider HND/HNC if candidate had suitable experience. Must have at least 10 years' transmission experience in operation and maintenance with an Electricity Supply Authority. Age range—35-40 years. | 1 |
| 5. | **Assistant Transmission Engineer:** — Same as above — | 1 |
| 6. | **Senior Electrical Engineer:** Must have held a responsible departmental position for a minimum of 5 years, with a total of 15 years' experience. Able to plan and manage the work of a large Electrical Maintenance Department. Must have a recognised Degree in Engineering and/or Corporate Membership of a recognised Senior Engineering Institution. Age Group—35-45. | 1 |
| 7. | **Senior Institute Engineer:** — Same as above — | 1 |
| 8. | **Maintenance Superintendent:** Procurement of Spares, Organisation and Administration of Stores, Planning and effecting all Mechanical, Electrical and Instrumentation Maintenance and Repair of all equipment associated with a high-pressure boiler, steam turbine, gas turbine, natural gas/oil-fuel fired generating station of some 200 M.W. capacity. The incumbent with 10 years' experience in a similar senior position with a recognised Degree in Mechanical or Electrical Engineering and/or Corporate Membership of a Recognised Senior Institution. A suitably widely-experienced person of Mechanical bias, possessing qualifications leading to Chartered status would be considered. Scale and Salary for the above posts—2/2 — QRs5,500. | 1 |
| 9. | **Senior System Operations Engineer:** Degree in Electrical Engineering and Membership of an appropriate professional Institute. Minimum 15 years' experience, 10 years of which would be at a power system control centre at progressing levels of responsibilities. Critical understanding of Switching and Safety practices of a modern power system. Complete familiarity with load despatching and load forecasting techniques. Ability to write clear and concise reports. Ability to carry out all administrative work necessary for the smooth running of his Sub-section. | 1 |
| 10. | **Generation Engineer:** Recognised Degree in Electrical and/or Mechanical Engineering and/or Corporate Membership of a recognised Senior Engineering Institute. Extensive Experience in Power Generation at all levels and Management Experience for at least 20 years. A knowledge of other functions, i.e. Grid Control, Transmission and Distribution is of importance. | 1 |
| 11. | **Deputy Power Station Superintendent:** Qualification: Same as above. Experience: Candidate should have held a similar senior position with experience in the management of an Operations and/or Maintenance Department for at least 10 years. Scale and Salary for the posts above—2/1 QRs.6,500. | 1 |

All posts will be given allowanees: Loans for Car, Accommodation, Gratuity, etc. In accordance with the General Civil Service Laws, Doha-Qatar.

The applications should be sent to:

**Department of Civil Servants Affairs, Appointments Section, Post Box 36, Ministry of Finance and Petroleum, Doha-Qatar.**

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## Leicester Building Society executives

Mr Scott Durward is the new chief executive of the LEICESTER BUILDING SOCIETY succeeding Mr Basil Eckhard who has retired. Mr Durward has also joined the Leicester board and Mr Eckhard continues as a director. Mr Ian Hamilton is general manager, finance and administration, Mr Paul Clifton, general manager, personnel and management services and Mr Richard Lacy (general manager, operations and marketing.

★

The Secretary for Industry has appointed Mr M. G. Wilcox to be a part-time member of both the NATIONAL ENTERPRISE BOARD and the NATIONAL RESEARCH DEVELOPMENT CORPORATION for three years. Mr Wilcox succeeds Mr Dibbs on the NEB who resigned at the end of July because of the pressure of his other commitments, particularly as deputy chairman of British Airways. Mr Wilcox was appointed a director of the Midland Bank in 1974 and retired at the end of last June from executive duties with that bank where he had been one of the two chief general manager. He is chairman of the Forward Trust Group, Samuel Montagu and Co. and the London board of the Commercial Banking Company of Sydney and is a director of the *Costain Group*.

★

Mr Alan Brauner has become a senior executive in MIDLAND BANK'S corporate finance division in London with responsibilities for shipping interests worldwide. Mr Christopher Ellis has been appointed manager of the bank's shipping branch in Piraeus, Greece, to be opened towards the end of the year. Mr Christopher Ley has been made a manager in Hong Kong branch with responsibility for ship finance.

★

Mr Terry J. Bloomfield, at present commercial director of Mardon Illingworth, has been appointed deputy managing director from September 1. The general trade division of the company will be reorganised into two separate business units. Mr Neil S. Smith will be operations director for the general line metals unit and Mr Brian Illingworth, operations director for the plastics unit. Mr F. Bev M. Page has joined the board of the company as operations director, two-piece can division. The parent concern is MARDON PACKAGING INTERNATIONAL. Mr Robert E. Illingworth has been made deputy chairman of the plastics division from September 1 and will retain his responsibilities as managing director of Mardon Illingworth. At the same time he will be appointed to the board of Cundell Plastics.

★

Mr John Harrap has joined the board of PLATT SACO LOWELL INTERNATIONAL as international marketing director. The company is a division of Stone-Platt Industries.

★

Mr Graeme Sheath, managing director of IPC Transport Press, joins the board of the parent company, IPC BUSINESS PRESS, on October 1. From that date he will be *responsible to Mr Bryan Hope, chairman of journal publishing*, for IPC Agricultural Press, Agricultural Press Farms, British Farmer and Stockbreeder and IPC Building and Contract Journals as well as retaining his responsibility for IPC Transport Press. Mr Sheath will relinquish his managing directorship of Transport Press and will be succeeded by Mr Martin Morgan, a publishing director in that company.

★

Mr Detlef Mueller has been appointed to the newly created post of *commercial manager* of SEITZ ENGINEERING (GB). He joined Seitz (GB) in 1979 as sales co-ordinator.

★

Mr Tom Fenton has taken up a new appointment as managing director of HUWOOD, a subsidiary of Babcock International. He was formerly with Becorit (GB).

★

Mr J. Colin Lloyd has joined the board of MANOR NATIONAL GROUP MOTORS. He is managing director of Manchester Garages (Trucks), a member of *the group*.

★

Mr A. N. Burns has been appointed finance director of HALFORDS LIMITED, part of Halfords Group, a subsidiary of Burmah Oil.

★

Mr John S. M. Jones, a non-executive director of CREST NICHOLSON, has resigned to give more time to his other business interests.

★

Mr Robert Muckleston has been appointed joint group deputy chief executive of HORIZON TRAVEL with Mr Kenneth Franklin. Mr Muckleston, a director of Horizon Travel since 1979, is also chief executive of Horizon's subsidiary, Orion Airways.

★

Mr Richard Brown, vice-president, HARRIS BANK, has become general manager of the London branch. He succeeds Mr James L. Roberts, who returns to Chicago in the bank's operations department. Mr Brown previously headed the planning office, Chicago headquarters.

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THE COMPANIES ACTS 1948 TO 1976

NOTICE OF APPOINTMENT OF LIQUIDATOR

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Name of company: Sporran Investments Limited.

Nature of business: Investment Dealing.

Address of registered office: c/o Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR.

Liquidator's name and address: David Geoffrey Pangbourne Touche Ross & Co Hill House, 1 Little New Street, London EC4A 3TR.

Date of appointment: 31st July 1981.

By whom appointed: Creditors.

D. G. PANGBOURNE, Liquidator.

Dated 31st July 1981.

IN THE MATTER OF SPORRAN INVESTMENTS LIMITED AND IN THE MATTER OF THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 1st day of September, 1981, to send in their full Christian and surnames, their addresses and descriptions, full particulars of their debts or claims, and the names and addresses of their Solicitors (if any) to the undersigned DAVID GEOFFREY PANGBOURNE of Touche Ross & Co., Hill House, 1 Little New Street, London EC4A 3TR, the Liquidator of the said Company, and, if so required by notice in writing from the said Liquidator are, personally or by their Solicitors to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 31st day of July 1981.

D. G. PANGBOURNE, Liquidator.

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THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

# Bucking the trend on Merseyside

**John Elliott** reports on two success stories in a depressed area

**IF there is one bright hope for the future in the troubled area of Merseyside, it is in the creation of new small businesses. The Merseysider's independence is increasingly being demonstrated by the determination of individuals to set up on their own, and there are countless small estates of tiny enterprises springing up in all parts of the area.**

**The small number of jobs provided by such ventures—usually no more than ten or 20 each—will of course do nothing to cure the area's chronic unemployment problem; nor are there likely to be enough new businesses immediately to rebuild the industrial base that has been lost in recent years.**

**The two companies described on this page are significant for several reasons. Neither of the founders has had any lifelong ambition to be his own boss. Instead they were both pushed into setting up on their own by the frustrations or *failings of their previous employer.* In both cases the founders have based their ventures on work they did before, so building on their earlier industrial skills and experience. They both seem to be operating in their chosen areas more effectively than did their previous employer.**

**But perhaps most interesting of all, neither has needed massive financial borrowings or had much state support to get started. The state support that has been given, however, has been significant. Both businesses are housed in economical, pleasant, small premises built by the Government-owned English Industrial Estates Corporation which gives its tenants initial periods of rent-free occupancy lasting about two years.**

**One company has also benefitted from a state-subsidy for export promotion. But neither has qualified for regional development grants on plant and machinery purchases because neither is classified as a manufacturer, one being basically an assembler and the other predominantly a service business.**

**One has never had an overdraft for more than a few days. The other has only overdrawn to between £10,000 and £20,000, mainly to pay for expensive stocks. Both have changed their banks because they became fed up with their local manager—one switched from the Midland to Barclays to get his overdraft up from £10,000 to £20,000 while the other moved in the opposite direction from Barclays to the Midland before he set up on his own.**

**Their lack of serious financial problems partly stems from the fact that neither has needed massive investment for innovation. But it also shows that there need not be a finance gap for skilled individuals who, with their families' active involvement, are prepared to devote all their income and time to building up their own business.**

IN THE first year of running his own business, from a cupboard in his home, Ron Brown achieved a turnover of £18,000. He drew a salary of £3,500 and ploughed the rest back into a gradual expansion which now, seven years later, has grown to a turnover of £200,000 to £250,000.

His basic experience is in two-way radios and he has developed test equipment which he is trying to sell in Japan, South Africa and West Germany. He visited Japan recently with a Department of Trade-subsidised mission organised by the local Chamber of Commerce. But when he arrived in Tokyo he realised that so few people had thought of selling electronic equipment to the Japanese that there was little advice available about *whom he ought to see.*

"After three days of sitting in my hotel getting nowhere, I looked down the yellow pages for electronic trading companies and found two firms—Tama and Seiwa—which I'd heard of in the UK. One of them will become our agent."

Ron Brown started his business—called Halton Communication Services—because he felt frustrated working for his ex-employer, Pye. His success stems from using his basic knowledge as a systems engineer, and from his experience gained at Pye to fill gaps in the market, aided full-time by his wife's business disciplines.

A 39-year-old with children aged 17, 19 and 21, he is already a grandfather, having married when he was 16½.

"I'd never really thought I'd ever start my own business but I just got more and more discontented at Pye and one day walked out. My boss thought I'd be back the next week but instead I started as a freelance service engineer, making the direct contacts with customers and coping with their problems in a direct way that was not possible in my old large company."

Of his wife, Marjorie, who is officially the company secretary and receptionist, he says: "She does the finance and runs it like she runs our house." They have never borrowed any money to build up Halton apart from a loan for a van.

There is an overdraft facility of up to £5,000 with the Midland Bank in case of sudden surges in expenditure but he thinks they have never been overdrawn. "Actually we have, once" adds his wife. "We went into the red for £70 for less than a week—but we cleared that with a cheque that came in for £17,000."

Neither of them likes the idea of having to cope with large loans although they are often told about the tax advantages they are missing. "Working on loans and guarantees involves more responsibility," says Ron Brown. "It takes me all my time to run the business without having to worry about people who've lent me money." But he admits that, because of the way he has built up Halton without any expensive innovation, it has been easy to do without. He would only consider a large loan, he says, if he had a major profitable project that would make it worth while changing the basic approach.

He started out doing the original radio equipment service work on a freelance basis from his home in Runcorn, a few miles from Liverpool. After about 18 months he went to a nearby 1,000 sq ft factory built by the Runcorn Development Corporation which he still uses as a reception centre for service work.

## Two-way radio

Around the same time he decided he could no longer cope on his own and took in another highly experienced engineer from Pye, Chris Hampson, as an equal partner.

Three years ago he took his first major step into design and manufacturing, making individual radio control systems to customers' specifications. Later he adapted a microprocessor to improve a two-way car radio telephone. Next he designed the specialised test equipment for data recording transmitting equipment which he went to Japan to sell, and which he now intends to market in different countries.

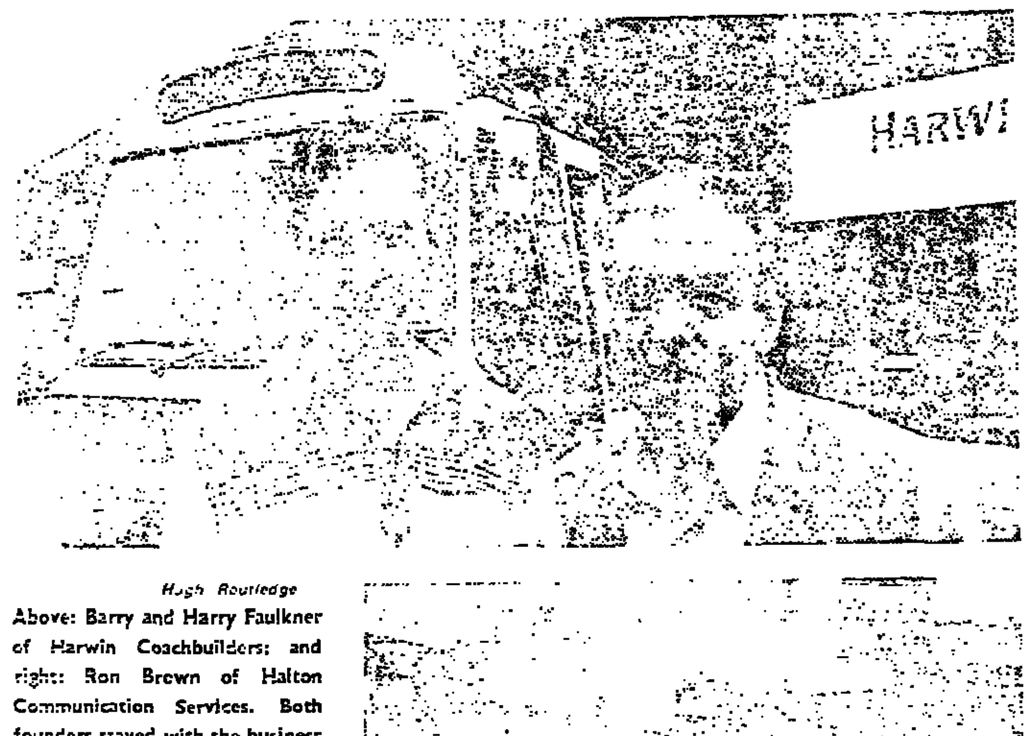
He says he can sell this equipment at 25 per cent of the price of his nearest competitor (a West German company) and still make a substantial profit. But he must export it to make the venture worthwhile because it is a highly specialised product with only limited sales in the UK.

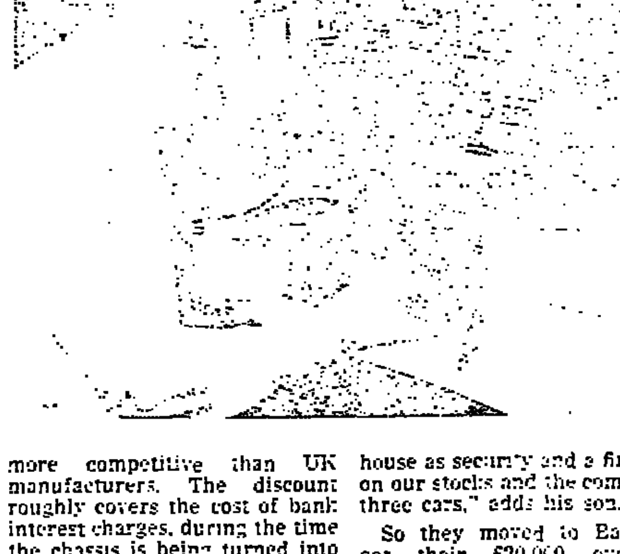
Two events enabled him to generate enough income to finance this product development and general expansion *without loans. First, just as he* was running short of funds for his first invention, Motorola offered to stop servicing its own equipment within a defined area of Merseyside and to use Halton for all its systems work if, in turn, Halton would only sell Motorola equipment and non-competing brands.

That led on to the second event—a substantial contract with Merseyside Passenger Transport for servicing Motorola emergency radios on all its buses. Similar service work also came from the fire salvage department, harbour authorities, the local council, and ICI.

The flow of this work was helped by Halton moving last October to a new 3,400 sq ft English Industrial Estates factory in the centre of Liverpool near the Pierhead.

Aside from the financial worries involved in this substantial move, the business has expanded steadily year by year and £25,000 is now being ploughed back annually into new equipment. Refinements are being developed for two-way radios, and Ron Brown is now talking about how he would like to expand beyond his present 11-strong workforce till he has a fully equipped factory with perhaps 40 to 50 employees.





Hugh Routledge

**Above: Barry and Harry Faulkner of Harwin Coachbuilders: and right: Ron Brown of Halton Communication Services. Both founders stayed with the business they knew best when starting up on their own**

WHEN Harry Faulkner's employer suddenly went into liquidation nearly five years ago, he lost his job as a foreman coachbuilder at the age of 52. He contacted two of his old company's customers and obtained work on ambulances and fire salvage vehicles. Now he and his son, Barry, 24, have developed a highly successful small business—Harwin Coachbuilders—which last year produced nearly 50 coaches. It has a turnover of £1.4m and is still expanding.

Their main operation involves buying lorry chassis—usually from Fiat—which they then convert into 12 to 29 seater coaches costing anything from £9,500 to £30,000 each, depending on furnishings. They employ 14 people including a factory manager, Kevin Tunney, who had worked with Harry Faulkner before. Harry Faulkner spends most of his time on the shopfloor designing the coaches and building them with the men, while his son works in a two-desk office and looks after the sales operation.

Their success is based on continuing to do for themselves what the father and manager had previously done for their old employer, Chartway Coachbuilders of Formby near Liverpool. "We are just doing what we know about, having learned how at Chartway. But now we have great flexibility on the work with everyone sharing the jobs," says Kevin Tunney.

"I do a coach design in my head, sketch it out, and with experience you can tell if it'll work. Then I jig it all up myself and we make it," says Harry Faulkner. "We've cut out all the huge overheads of our competitors like Paxton and Duple—and we don't have to pay the £200 a week or more it costs to employ a designer because I do it myself."

Their main overheads consist of a secretary, plus £4,500 a year for the rent which they have just started paying for their 3,360 sq ft English Industrial Estates factory in Bootle, having had a rent free concession for their first two years in the premises.

Harry Faulkner started the business in a garage in Formby, then expanded to a slightly larger factory nearby before moving to the present building which the business is now outgrowing. "We've been broken into three times and lost £6,000 in goods and lost production; now our back doors are like Fort Knox. But the insurance company took nine months to pay up," says Harry Faulkner.

In the Formby garage he started with one other person rebuilding specially equipped ambulances to designs he had developed at Chartway for Accross, the organisation which takes invalids to Lourdes. "I rang Accross when I lost my Chartway job and they gave me two advances of £3,000 each to get me going. I modified and rebuilt two of their ambulances *for a total of £10,500," explains* Harry Faulkner.

## Rolled over

"Then the fire salvage people, for whom I'd also worked at Chartway, gave me a chassis and, for £8,500, I built a body around it. That was stolen so I built another and that was rolled over while out on a call so we did a third, helped by two £2,000 advances from the fire chief."

He then made the major move into coachbuilding and now has orders from tour operators and other organisations in various parts of the country. The work is funded partly by discounts Harwin has secured from Fiat which the Faulkners say is far more competitive than UK manufacturers. The discount roughly covers the cost of bank interest charges, during the time the chassis is being turned into a coach. Profits range usually from £2,000 to £6,500 per coach *and have been pushed back into* the company to finance expansion and to build up £20,000 to £30,000 of stocks of coach seats, panels, windows and other components, in addition to chassis worth £50,000.

Such a hand-to-mouth existence, while successful, did not please the local Midland Bank manager. "Earlier this year I wanted to expand the workforce from 12 to 14 and raise my overdraft limit from £10,000 to £20,000, but he suggested I should cut the business back to two men and make one coach at a time instead of three, just throwing away what we'd built up," is Harry Faulkner's explanation of what clearly became something of a personal confrontation.

"He'd already got dad's house as security and a first call on our stocks and the company's three cars," adds his son.

So they moved to Barclays, got their £20,000 overdraft plus, they say, promises of more if needed. "This manager comes out here to see us and doesn't sound as if his confidence has been blown by being hit with lots of builders' bad debts," says Barry Faulkner.

They are continuing their philosophy of only taking their wages out of the business, ploughing the profits back. Harry Faulkner would like the company to grow to perhaps a little more than double its present size, employing about 30 or more skilled workers. There is a possible big export order in the offing, and Mercedes has shown an interest in helping them to develop a 29-seater coach built on its chassis.

Bucking the recessionary trend, they add confidently: "We're fully booked through to 1982-83."

TECHNOLOGY

EDITED BY ALAN CANE

# Computerised travel to beat the High Street delays

ELAINE WILLIAMS looks at ideas for computer links for travel agents direct to the major tour operators.

ONE of the major frustrations of booking a holiday is the long delay while the travel agent waits for the tour operator to answer the telephone.

However, this may soon change as travel agents will shortly be able to link directly into most of the major tour companies' own computer controlled booking systems.

Using a small computer terminal — probably based on a low cost viewdata television set — travel agents will be able to book package holidays from any one of the 30 or so tour operators in Britain, or reserve hotel rooms, hire cars and confirm flights or rail tickets.

The travel industry believes that this will lead to a major upheaval in the trade and several major developments in automating the travel industry are well under way.

Allowing travel agents access will bring a major benefit to tour operators because holiday programmes can be expanded without increase in booking staff who presently need to take telephone reservations.

Over the past few years Thomson Holidays has increased its programme at a rate of about 20 per cent a year and expects to carry more than 1m holidaymakers this year.

It sees the opportunity for increased staff productivity and the ability to cope with booking peaks more effectively. For example, at the start of its summer programme its telephone system is usually disrupted as up to 10 per cent of its 700,000 seat summer programme can be booked on the first day.

However, six months ago Thomson began a trail with 66 travel agents spread across 10 towns in the UK for a viewdata booking system which allowed travel agents to link, in a limited way, into its TRACS computer controlled booking system.

This pilot scheme was to discover what would be the problems and benefits of allowing travel agents directly into the company's reservation system.

Though Thomsons admitted that there would be a need for major modifications, it is likely that the company will go ahead with a full-scale system later this year.

Thomson says that until the advent of viewdata systems, which offer a cheap access to computers, tour operators considered that providing travel agents with direct computer booking facilities would have been uneconomic.

Now, several package tour companies such as Thomas Cook and Thomson are already running pilot schemes while one of the small companies, Olympic Holidays, was the first to use viewdata to allow travel agents to book holidays.

Its system, called Sparta, was unveiled last November and Olympic is already working on improved version.

Since early 1977 a system called Travicom has allowed travel agents to link into the vast airlines reservations system. Travicom was developed by a company called Travel Automation Systems—set up in 1975 by British Airways, British Caledonian and two technology companies: Computer Communications and Videcon.

Using a two-letter code such as BA for British Airways or BC for British Caledonian allows connection to the particular airlines reservation system.

Travel agents can then reserve and issue tickets directly instead of going through the airlines own reservations systems. The original Travicom system allowed access to 26 airlines.

However, at a cost of £1m Travicom has been developed further and a new improved system was unveiled earlier this year which now allows travel agents to link into the computer belonging to tour operators, cross channel ferry companies such as Sealink, hotels and car hire companies as well as the airline system.

According to Mr Mike Osborn, chairman of Travel Automation Services, this is likely to lead to a big expansion into the number of travel agents opting for automation.

So far only 260 agents out of more than 4,000 travel agents in the UK use the Travicom system, of which more than 160 are based in Thomas Cook offices.

According to Mr Osborn, Travicom is most cost effective to travel companies which have a turnover of £1.5m or more. Through the system they can produce their own tickets, invoices, itineries, timetables as well as carry out most the their accounting functions.

Though the Travicom system is used only in the UK, the company has sold similar systems to the Netherlands and South Africa.

Mr Osborn belives that there are several other countries where the computer system could be employed and three countries are now considering proposals for Travicom.

But Travicom faces competition from large electronics companies such as Raytheon in the U.S. as well as the Association of British Travel Agents which is presently developing its own travel agents' system.

In May this year ABTA signed an agreement with Caltrav, a subsidiary of Calladine and Baldry which is the largest tour operator in Canada, for the development of the company's computer reservation system.

## Cheaper

Caltrav is adapting the system *it uses in Canada for the* ABTA agents. This system is similar to Travicom because it will allow travel agents to book airline tickets, hotels, package holidays and car hire.

However, ABTA says that its system, which should be available next year, will be cheaper than Travicom at about £10,000 per travel agent.

ABTA is hoping that the smaller travel agents, which represent 2,000 of the 4,500 shops in the UK, will be able to benefit for the first time.

ABTA *members are already* major users of Prestel, the information system developed by British Telecom which links the television set to a vast computer network via the telephone system.

Its main application is to provide travel agents with up to date information about last minute cut price holiday bargains, air traffic strikes and country regulations which might affect travel.

**TRAVEL agents may soon enter a new era of automation as they are able to link bookings direct to the computers of the major tour operators.**

## Generating sets from Elco

A NEW range of generating sets from Elco Power Plant of Bradford, Yorkshire (0274 573554) is said to provide higher output at less cost. The range is powered by air-cooled Lister ST diesel engines, operating well within their capability at increased speeds of up to 2,100 rpm, rather than the usual 1,500 rpm. The increased speed enables each engine in the range to achieve more output normally associated with higher cost engine.

The 10kVA model, for example, operating at 1,650 rpm gives a 20 per cent cost saving, compared with a standard 1,500 rpm version. Elco says that such savings are typical of other models in the new economy range.

## ..POINTERS..

### UK lags on use of industrial robots

THERE were only 371 robots in use in British industry last year, according to a report by the University of Manchester's Institute of Science and Technology (UMIST). In Sweden, however, there were nearly four times that number, with Japan and the U.S. even further ahead.

UMIST has now announced a new Chair in Applied Robotics to establish research, industrial collaboration and teaching courses in this new area.

The chair will be located in the Department of Mechanical Engineering and provides a focus of attention for manufacturing and production engineering, instrumentation, computer systems, software engineering and microelectronics, all of which are being actively pursued by recently-appointed UMIST professors.

Close collaboration will be developed particularly with UMIST's manufacturing and machine tool division where computer-aided design and manufacture facilities are highly regarded—it is likely that a post-graduate course in applied robotics will be initiated, as well as the running of post-experience courses to allow manufacturing and production engineers to gain up-to-date knowledge.

### 'Powerful' mini-computer

DICOLL Electronics of Basingstoke (0256 61551) is to offer a new mini-computer, the MAEL 5700, which is describes as "one of the most powerful in its class." The central processing unit is capable of performing more than a million instructions a second. There will also be a variety of peripheral equipment, systems and application software to suit a wide spectrum of business needs.

### Electric furnace

AN electrically heated mesh belt conveyor furnace, designed for annealing, normalising and brazing applications up to 1150 degrees C, has been introduced by Wellman-Birlec of Warley, West Midlands (021 558 3151).

The makers say that energy-saving, easier access and maintenance *of the heating* chamber have been obtained by including a low thermal mass lined lift-off roof. There is also an improved mesh belt conveyor drive system to prevent damage in the event of a belt jam.

### High storage capacitors

K-FILM capacitors, a new range of high storage capacitors produced by CSI Technologies in the U.S. are now available from Hartley Measurements, Basingstoke, Hants. Said to be of very high density and lightweight, the capacitors are suitable for cardiac resuscitation (for which they were originally developed), high intensity flash systems, pulsed lasers and similar equipment. Details: Hartley Wintney 3535.

### Portable heat

A SPECIALLY designed briefcase containing Thermoflow and Thermonitor portable heat measuring instruments, complete with instructions and calculation graphs is offered by Unity Power Systems.

Said to be ideal for architects, civil engineers and plant engineers requiring to carry out a variety of heat flow/loss measurements during their normal daily routines, the package costs £1,300.

Further on 01-668 8251.

### Process pump

THE NEW horizontal process pump introduced by Durco Europe for sump and corrosive liquid drainage, has self-priming capability and can replace more expensive vertical pumps, according to the manufacturer.

Designed for general sump application — for example, pumping from underground tanks or from mines — Durco's new Mark Two "Super Sump-sucker" pump is simply installed on the side of the sump, tank or pond, and then set in motion.

In contrast to vertical pumps where critical parts are often located underground, sometimes in contact with corrosive liquids, the new pump requires no superstructure or lifting gear for maintenance access. Critical parts are above ground and visual inspection is simple, says Durco. Details from Durco at rue Verte 216, B-1030, Brussels.

LOMBARD

# Pecking order for technologies

BY DAVID FISHLOCK

FOR THE past year or so the Department of Industry has been conducting a novel experiment upon itself. Lacking any national "industrial strategy" under the present government to help assign priorities to its development projects, its top civil servants have been trying instead to agree collectively what are the most urgent priorities for technical support for the products of "UK Ltd."

They have produced a "league table" assigning an order of priority to more than a dozen technologies. This league table will change with time as attention — and funds — are focused on the league leaders, and as emerging opportunities are seen as in need of a *boost*.

## Problem

The overriding problem for the development effort of the Department of Industry is that, unlike say that of the Ministry of Defence, it does not have a clearly-defined customer. It has nothing to correspond with the procurement executive of the Defence Ministry, or the National Health Service, to help decide its priorities.

Not least of the problems is to get general recognition for the fact that some sectors are inherently expensive to tackle. Space technology is a good example. If UK Ltd is to take them seriously, they have to be protected from others who might see them simply as a technology whose funds can readily be plundered to assist sectors they favour.

Another unsettling problem is that technologies can suddenly become fashionable, popular with the public and politicians. Bio-techonolgy is a current example. But should being in fashion entitle the sector to extra funds?

As Dr Duncan Davies, chief engineer and scientist at the DOI, saw the problem, each technology required a "champion"—like the product champion now recognised as the crucial factor in successful innovation in the market place. Among his fellow deputy- and under-secretaries in the DOI, Dr Davies has found champions for more than a dozen basic technologies.

The champions thrashed out their first league table last summer. Inevitably, the articulate and eloquent had the advantage. But the outcome was an agreed picture of technical priorities for 1980.

They have first repeated the exercise this year, with the help of some outside advice, in the shape of the industrialists who chair the DOI's four Requirements Boards, and the chairman of the Science and Engineering Research Council.

Some significant shifts in perceived priorities are already emerging. At the top of the league table the micro-processor applications programme — for the survival of which DOI officials have fought hard under the Thatcher Government—yielded first place to production techniques, ranked only mid-way in 1980. Information technology is now up to third place.

Others which have received considerable attention in the last year or two, including advanced instrumentation and control, and electronic components, have begun to slip from the top places.

Bio-technology has made the biggest leap upwards, to sixth place this year. Word seems to be spreading that the £5m Sir Keith Joseph plunged in a joint venture with the City last summer, to set up Cell-Tech, is not enough to ensure that UK Ltd will fully exploit its opportunities for the new techniques.

## Opportunity

For DOI, the problem with bio-technology is still to spot which opportunity will prove the "breakthrough" to big new business and profits. Drugs—the popular perception—can be left to the pharmaceutical industry, one of the most innovative around.

Could the breakthrough come in something as unfashionable as waste management and water treatment? Could there be complete public and political disenchantment with bio-technology if the brash claims made for such drugs as interferon are not soon fulfilled?

The league table suggests where senior civil servants think DOI should be putting its cash—some £200m for development this year.

It is still up to UK Ltd to make its case for who gets the handouts, and how much.

# Understanding-and appreciating-teletext

THE PRINTED word is still important to television and video. Having spent over half a day last week, sprawled on the floor grappling with the instruction book of Grundig's V2000 video-cassette recorder (and the machine), the point is still impressed heavily upon me.

Not that this particular instruction book is bad; of the species it is very good, although my own advance copy was an electrostatic plain paper copy (note the pedantry, practising my sermon about text, because I have no certainty it came off a Rank Xerox machine, and photocopying uses chemically coated paper not plain paper).

## Humiliating

The Grundig machine, based of course on the Philips V2000 system, is as sophisticated as any now on the market — with as much as eight hours from one *cassette and automatic recording* up to 99 days in advance of up to five pre-selected programmes on any chosen channels. The controls are all-electronic with computerised switching functions so that it is virtually impossible to damage the machine.

The picture quality on the machine I used was not as good as the best I have seen on V2000s, but better quality should be possible by using a special connector (not supplied with *my machine*) which bypasses the normal aerial circuitry on the TV set.

The Grundig V2000 is, however, an extraordinarily humiliating machine. At the end of my half day on the carpet, the opinion of my own intelligence had declined miserably. The fault is invariably the user's because we all have a nasty habit of not reading the instructions thoroughly (in this case a mere 19 pages).

For example, the sequence boldly headed "Making Your First Recording" fails to repeat an instruction made three pages earlier to set the electronic clock first to the correct time (or any time): which is why your red-faced correspondent spent nearly an hour before making his first successful recording. (If I had read right to the end of the Trouble Shooting Chart, I would have discovered my error.)

The same *problem* persists with new generation television sets, such as the impressive Grundig F3022 which I had connected to the V2000. Apart from really excellent picture quality, this has a self-seeking tuning control which automatically finds each station when presetting the channel selectors. But the instruction book fails to point out that the self-tuning device stops at the first station it finds, even if it is too weak to display a picture, so that Mrs *Average Housewife is liable to* believe that something is wrong.

Indeed, I do seriously wonder how most people will fare with the new generation of domestic electronic devices now entering the home. I know of one national TV critic (not my colleague on the facing page) who confessed that he seldom used his own VCR (a very simple model) because he didn't understand it. Perhaps one answer is to make available more comprehensive printed instructions via the broadcast teletext services.

## FILM AND VIDEO

BY JOHN CHITTOCK

Yet, according to a report just about to be published by Philips, one in five people do not even understand what teletext is. But since over 50 per cent of teletext users are in AB social groups, I will recklessly assume that readers of this column require no further explanation.

The Philips report provides one valuable piece of information that the television industry will welcome. Some 34 per cent of teletext users found it "extremely useful, couldn't do without it," 41 per cent regarded it as "most useful; a good source of information" and 20 *per cent* "quite useful as a second source to paper, TV and telephone." Only 5 per cent seldom made use of it and dismissed it as a luxury.

None the less, teletext has made slow inroads, with only about 180,000 sets in the UK at present. However, this October has been designated National Teletext Month, backed not only by the trade but the Government as well. Advertising campaigns, competitions, splashes in the *TV Times*, *Radio Times* and on conventional TV as well, will all make it very difficult for the public to escape from teletext. Thankfully, too, the industry is promoting training for retail sales staff so that the virtues of this British innovation can be sensibly communicated to customers.

Teletext made its greatest impact so far during the Royal Wedding. Both BBC on its Ceefax service and ITV on Oracle offered captions of the live commentaries so that the deaf and hard-of-hearing could follow the entire ceremony. Although a few selected TV programmes have been offering captions for the deaf for a long time, with one exception this was the first major occasion when a live commentary was transcribed as it happened.

By calling up Ceefax page 192 ("No Need to Shout") and Oracle's page 195 ("Earshot")—special magazine pages for the deaf — I was able to read last week the reactions of some deaf viewers to the Royal Wedding. Thus from Oracle "a milestone on the road," "all the difference between watching and enjoying the event" and so poignantly "never before in my whole life have I been able to follow a marriage service."

Suddenly, teletext really does look important. Last week was also my own first sustained experience in using the medium, again sprawled on the floor (but without an instruction book and using a Philips set for a change). And I am now sold on it.

The only frustration at present is the tendency (especially of the BBC) to shut down the transmitters (and thus the service) at the end of normal TV programmes — which is the very time when many people would use it. Philips estimate that 52 per cent of teletext users are "heavy" viewers (over 30 hours per week — the very people who may want to switch to teletext after midnight.

No doubt ITV will exploit this late-night viewing with the facility of teletext advertising pages which are now being sold. Oracle's first rate card has just been published (the world's first for teletext) — a full page costs £400 per week. Perhaps after-midnight viewing of Oracle may ameliorate the complaint attributed to Lord Grade who, always concerned about keeping audiences during the TV commercials, said of teletext: "For years I've been trying to stop them from going to the loo and now you invent this."

## Attraction

Oracle regional services start this autumn, beginning in Scotland, and the capacity of both BBC and ITV systems will increase — also providing quicker access time to pages. Ceefax are operating the world's first international exchange of teletext pages (with Austria), and new technical developments on the way offer the ultimate *potential of displaying full* colour photographs on teletext (a major attraction for advertisers on Oracle).

Like the electronic controls on the Grundig V2000 which inhibits a tactile appreciation of what is happening, reading teletext is a dehumanising experience. But I am happy to report that on Oracle last week I spotted a spelling error ("enrolement"), which at the end of a pedantic week was very comforting.

# Valentinian's day at York

## RACING

BY DOMINIC WIGAN

YORK IN AUGUST offers arguably the best racing at any time during the season, and a bumper crowd will be on hand today for the Benson and Hedges Gold Cup card.

*The tobacco prize, which has* seen the downfall of a number of giants headed by Brigadier Gerard since its inception, is supported by another Group One prize in the Yorkshire Oaks and by the High Line and Acomb Stakes.

The Melrose Handicap, the Knavesmire Nursery and the Harewood Handicap complete a programme which, given another fine day, could see a record crowd at the North's best-appointed course.

The Yorkshire Oaks is not my idea of a betting medium, and backers are probably best advised to save their money for the Melrose Handicap, in which I believe it will pay them to back Valentinian.

The High Line Stakes, an event for three-year-olds, is over the same course and distance as the big prize, but with £92,000 less added money.

Only four were in before the final declaration and that has been reduced to three made up of Church Parade, Golden Brigadier and Robellino, after the withdrawal of Fandango Time.

Nine line up for the Benson and Hedges Cup, in which Master Willie faces only Fingal's Cave and Hard Fought from his own age group, but six second-season performers.

Master Willie, so severely handicapped by a slow pace for much of the way in the King George VI and Queen Elizabeth Diamond Stakes, ought to be the one they all have to beat, but I can envisage Greville Starkey bringing out the best in Centurius, a colt on whom Swinburn has not shone. The last-named is aboard Hard Fought, whose chance the young Newmarket jockey much prefers.

**YORK**

2.00—Fort Garry
2.30—Church Parade
3.05—Master Willie**
3.35—Condessa*
4.10—Valentinian***
4.45—Goumi
5.15—Rollahead

# TV/Radio

† Indicates programme in black and white

## BBC 1

6.40-7.55 am Open University (Ultra High Frequency only). 9.55 The Wombles. 10.00 Jackanory. 10.15 Godzilla. 10.40-11.00 Take Hart. 1.12 pm Regional News for England (except London). 1.15 News. 1.30-1.45 Heads and Tails. 3.50 O dro I dro. 4.18 Regional News for England (except London). 4.20 Play School (As BBC2 11.00 am). 4.45 Joey and Redhawk. 5.05 Newsround. 5.10 Animal Magic.

5.40 News.
5.55 Nationwide (London and South East only).
6.20 Kick Start 81.
6.50 Medical Express.
7.20 The Tuesday Film: "Land of the Pharaohs" starring Jack Hawkins.
9.25 Barry Norman in Chicago.
10.10 Kelly Monteith.
10.45 Come Dancing.
11.25 The Fishing Race.
11.50-11.55 News Headlines.

All Regions as BBC1 except as follows:

Cymru/Wales — 3.50-4.20 pm Golf: West Park Welsh Professional Championship. 5.10-5.40 Yr awr fach. 5.55 Wales Today. 6.15 What Ever Happened to the Likely Lads? 6.45-6.50 Newddion. 11.52 Golf: West Park Welsh Professional Championship (highlights). 12.22 am News and Weather for Wales.

Scotland — 10.10 am The Wombles. 10.15 Cheggers Plays Pop. 10.35-11.00 Think Again. 1.10-1.15 pm The Scottish News. 5.55-6.20 Reporting Scotland. 11.50 News Headlines. News and Weather for Scotland.

Northern Ireland—4.18-4.20 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.50 News Headlines. News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds); Look North (Newcastle); Look North West (Manchester); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

## BBC 2

6.40-7.55 am Open University.
11.00 Play School.
6.05 pm Open University.
6.55 Six Fifty-five Special.
7.25 Mid-Evening News.
7.35 My Music.
8.00 Masters of Modern Sculpture.
9.00 Burt Lancaster in "The Flame and the Arrow" with Virginia Mayo.
10.25 Festival 81.
11.05 Newsnight.
†11.35 Laurel and Hardy in "Another Fine Mess."

## LONDON

9.30 Larry the Lamb. 9.40 Who's Afraid of Opera? 10.10 Hands. 10.35 Dick Tracy Cartoon. 10.40 Little House on the Pairie. 11.30 Freetime. 12.00 Paperplay. 12.10 pm Pipkins. 12.30 The Sullivans. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 About Britain. 2.00 Afternoon Plus—A Summer Season. 2.45 Racing from York. 3.50 Cabbages and Kings. 4.20 Razzmatazz. 4.45 The Extraordinary People Show. 5.15 Diff'rent Strokes.

5.45 News.
6.00 Thames News.
6.35 Crossroads.
7.00 Sapphire and Steel.
7.30 "Carry on up the Jungle" starring Frankie Howerd, Sidney James and Charles Hawtrey.
9.00 The Spoils of War.
10.00 News.
10.30 Muscle Madness.
11.30 The Questors.
12.00 Three's Company.
12.25 Close: "Sit Up and Listen."

All IBA Regions as London except at the following times:

### ANGLIA

9.30 am Sesame Street. 10.30 Hands. ...

### ATV

### BORDER

### CHANNEL

### GRAMPIAN

### GRANADA

### HTV

... 1.20 HTV News. 5.15 Cartoon. 5.20 Crossroads. 6.00 Report West. 6.30 Into the Labyrinth. 7.30 Vegas. 10.28 HTV News. 11.30 The Questors.

HTV Cymru/Wales—As HTV West except — 12.00-12.10 pm Cwadr Cwac A'i Firindiau. 4.20-4.45 Camigam. 6.00 Y Dydd. 6.15-6.30 Report Wales. 10.30 Ffilmiau. 11.35-12.05 am The Spinners.

### SCOTTISH

### SOUTHERN

### TYNE TEES

### ULSTER

### WESTWARD

### YORKSHIRE

## RADIO 1

(S) Stereophonic broadcast.
‡ Medium Wave

5.00 As Radio 2. 7.00 Mike Read. 9.00 Simon Bates. 11.00 Paul Burnett with the Radio 1 Roadshow. 12.30 pm Newsbeat. 12.45 Steve Wright. 2.30 Dave Lee Travis. 4.30 Peter Powell. 7.00 Dave Lee Travis with Wheels. 8.00 Richard Skinner. 10.00-12.00 John Peel (S).

## RADIO 2

## RADIO 3

## RADIO 4

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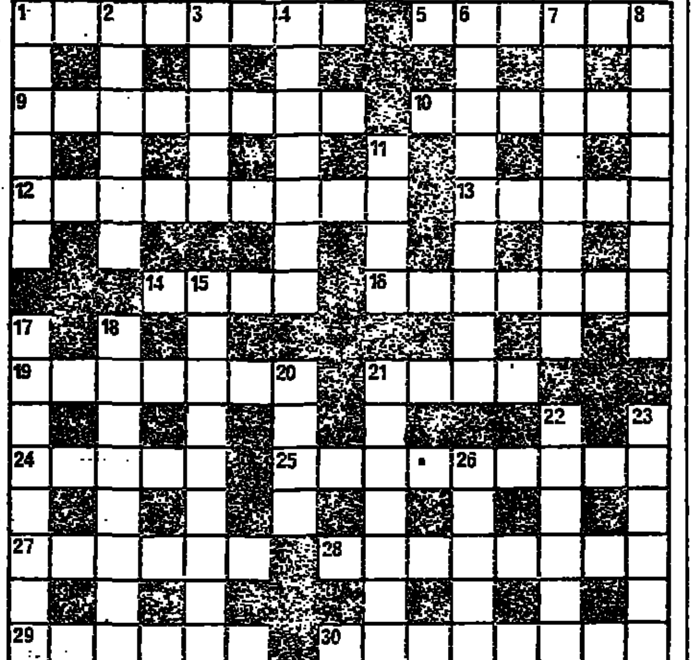
## F.T. CROSSWORD PUZZLE No. 4,649



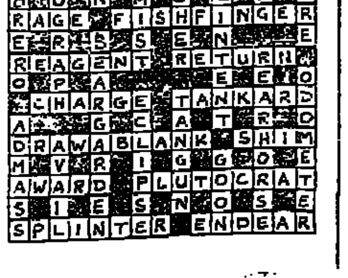
ACROSS

1 Free ball given in disencumberment (8)
5 Old World lizard and crane-like bird died (6)
9 Deep scarlet colour of fundamental importance (8)
10 Devise a route initially that's *flat* (6)
12 Old garment put to work is worth forty points (6, 3)
13 Part of a body or horse put back (5)
14 Great potentate putting pole in pitch (4)
16 The character of weather? (7)
19 Cover with a mesh and catch too many fish (7)
21 A wise herb? (4)
24 Drink to a saint (5)
25 A previous agreement to supply with food (9)
27 Senior nurse, housekeeper and wife (6)
28 Colonel by river is straining (8)
29 Engineer and painter (6)
30 No longer available to finish edition and is affronted (8)

DOWN

1 Soldiers give way and withdraw (6)
2 Back to cook the right amount (6)
3 Swallow a kind of gazelle (5)
4 Grant a patent (7)
6 Moving quickly for work in irritating surroundings (9)
7 A device literally produced, but it's not a stereo-player (8)
8 Called in middle of act to make insane (8)
11 Long adventurous film or just part of the picture (4)
15 Star to caress, but it could produce a nervous disease from exposure (9)
17 Swindle and entice in disdain (8)
18 Some French run for a bottle of liquor (8)
20 Drink to price-earnings ratio (4)
21 Exhibition cancelled by ostentatious person (4-3)
22 Having funds — fifty-one pounds? (6)
23 Mean to fix the mind upon design (6)
26 Angry, that is, about rodent (5)

Solution to Puzzle No 4,648



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# THE ARTS

**Usher Hall, Edinburgh**

## Abbado's Passion

by DOMINIC GILL

"Almost everything about this year's Festival is new," declares the Lord Provost of Edinburgh in his preface to the programme book. Perhaps he was thinking of other categories than music: for the concert list reveals on the contrary this year a perfectly decent but wholly predictable sequence of mainstream repertory of the sort that might be regularly heard in any European capital's ordinary season, cautiously levened with just five premieres by five eminently safe composers. ("New to Edinburgh" is presumably not the criterion which the Lord Provost intends to apply to a festival that has the word "international" as part of its title.) I intentionally exclude jazz both from the list and these comments: elsewhere there is barely a hint in all of four dozen musical events of the genuinely festive and exploratory, the truly original and new.

On the face of it, Bach's *St Matthew Passion* seemed at least a peculiarly quirky choice of festive opening at Usher Hall on Sunday night (also broadcast on Radio 3). Did the festival director John Drummond have something up his sleeve after all—a performance maybe of really original weight and perspective, fired at the hands of Claudio Abbado, the conductor, by all manner of operatic and symphony-orchestral shaping and colour? (In the circumstances, given the spatial arrangement and the great number of instruments and singers involved, one could hardly imagine an "authentic" presentation.)

As it turned out, some attempt at proper authenticity would have lent at least one point to the exercise, which from first to last notably lacked a point of reference or focus, stylistic or textual. More important still, it lacked any kind of vitality. Abbado's direction, at best unexceptional, was at worst of quite remarkable dullness and rhythmic turgidity. Number after number passed us by in a funeral cortège, draped with a deadening blanket of cautious, hesitant reverence — what crisis of identity persuaded Abbado to give up his familiar colourful and incisive role and play the part instead, sustained for three and a-half hours in agonising caricature, of elderly German provincial baroque conductor?

Numbers that were truly beautiful in their own right, if one could sucessfully divorce theme from their context, were few and far between and often wildly eccentric. They stood out nonetheless like flowers in a waste garden. Most were the ariosos and arias for alto, sung by Jessye Norman — the sighing strains of her "Erbarme dich," for example, richly compelling, its lamenting string accompaniment outrageously but rather effectively treated by Abbado in the maner of a free romantic rhapsody.

Miss Norman's contributions were unfailingly the high point of every section, but she was well aided by a distinguished solo cast. The Evangelist of Peter Schreier, never as agile in his phrasing as the unforgettable Kurt Equiluz in the same part, was clear, robust and beautifully tuned. Margaret Price gave her soprano (strictly, boy-soprano) arias very sweetly and simply, with nicely contrasted instrumental timbres, cool and clear. Hermann Prey delivered an impressive Christus, burnished to warm gold in the lower octave. The tenor and bass respectively of Philip Langridge and Gwynne Howell, neither on their keenest form, gave careful and sensitive support. The instrumental players were chiefly drawn from the LSO; the choirs, decent if sometimes hesitant, were the Edinburgh Festival Chorus and the Scottish National Orchestra junior chorus.

It was a pointless "authentic" concession, and aurally an uneasy compromise, to produce a viola da gamba in place of a cello in the arias "Geduld, geduld" and "Komm susses Kreuz" when so few of the instruments essential to the Sound-World of the music, and none of the proper dispositions and number of forces, were employed elsewhere. That, of course, would have been another kind of festive overture altogether, and for most of the audience present probably a real revelation: to have presented Bach's masterpiece as the great and vivid *chamber* epic that it is, conceived not in terms of the 19th or the 20th centuries, but in its true colours, in the sublime and timeless terms that were the composer's own.

Scene from Britannicus

**Moray House Gymnasium, Edinburgh**

## Britannicus by B. A. YOUNG

The Theatre de la Salamandre, a young company based in Lille, opens the Edinburgh Festival drama programme and plays Racine's *Britannicus* as if it showed a crisis at the court of Louis XIV. The setting is a room in the Palace of Versailles, designed by Gildas Bourdet, who is co-director with Alain Milianti, and the rich costumes are the dress of the period. Louis's courtiers were the people Racine knew, and the business of the Romans of the first century AD becomes the more urgent when it corresponds with the way that Racine saw life going on about him.

The production is a jewel of consistency and understanding. It is dramatically important that events should be seen to be happening in a single day, for this marks the precise moment of change in Nero's character. The passage of time is prettily represented by the light through the big windows that is the only lighting of the stage picture—dull and misty at first, increasing to a bright midday, then fading to a dusk so deep that the final scene is played, most beautifully, in a solitary bar of light shining through an open door from the next room.

Nero is still young, and although he has been elevated to the throne by the evil machinations of his mother Agrippina he has begun his run well. Jacques Bonnaffe's performance is almost boyish when he first admits to Narcissus, Britannicus's tutor, that he is in love with Junie, Britannicus's betrothed; boyish, too, is his obedience to Agrippina when she orders him to sit and listen to her, and in his spiritless submission when she lashes out at him with her fists. Yet when she is not there he is the Nero we know. He has stolen Junie from Britannicus, his step-brother, and the rightful Emperor. Despite Agrippina's peace-making efforts (she mistrusts his growing independence) he is persuaded by Narcissus to poison his rival.

The acting throughout is first class, the emotions seldom allowed to exceed such as would prevail at court. Marief Guittier's Agrippina is not yet an old woman, for all her three marriages; though she walks with a stick, she uses it less for support than for emphasis. Nero and Britannicus are both still young, barely out of their teens. Britannicus was historically 14, but dramatically may be allowed a few more years, and Bruno Choel makes him a handsome and romantic young man of about 20, an ideal match for Agnes Mallet's Junie, a simple, unspoilt girl overcome by the fate that is developing around her. The two rival tutors, Narcissus and Nero's honest advisor Burrhus, who ends with his own dagger in his breast, are ably played by Guy Perrot, and Christina Blanc.

The rhymed alexandrines of Racine's verse are spoken with a fine fluidity that never spoils their classic harmony. The variety that can be imparted to them is magically shown in the scene where Agrippina reminds her son of his debt to her. She has a speech of over 100 lines, and until she has spoken more than 50 of them the two sit unmoving in adjacent chairs—and the atmosphere crackles with electricity. The final conclusion, when the dialogue is slowly submerged beneath music from Marc-Antoine Charpentier's Mess des Morts is truly magnificent.

**Festival Hall**

## Porgy and Bess by ANDREW CLEMENTS

Sunday evening's concert performance had promised us *Porgy and Bess* "complete," implying the whole of Gershwin's score, dialogue and recitative. The event was in several ways the centre-piece of Simon Rattle's first South Bank Summer Music, fusing the themes of the series and bringing together an excellent group of singers, with the City of Birmingham Symphony Orchestra and Chorus. In such circumstances the whole *Porgy* would have been appropriate: festivals are the occasions for artistic extravagance, and it seems as though the opera has never yet been heard in its entirety in London.

Without warning, however, considerable violence had been done to parts of the score. There are eminently dispensable portions of the second and third Acts—the opening ballet scenes in Act 3 can be painlessly jettisoned, scattering pieces of recitative would not be missed—but here the cuts were far more pertinent. The first Act suffered particularly badly: apart from much of the opening piano solo (a cut sanctioned by Gershwin), most of the crap game, the fight and closing chorus were missing, the central section of the last one of the work's most notable inspirations. No mention of these atrocities was made in the programme, and some of the audience must have wondered if the narrative was intended to proceed so jerkily.

The quality of the performances also made one's regrets more profound and demanded that the theatrical effect be better sustained; too often (especially in the first act) the music seemed to rush from one big set-piece to the next. Simon Rattle has conducted the work in London before and evidently regards it very highly; the contributions of chorus and orchestra betrayed a great deal of careful preparation with tightly drawn rhythms and smoothly moulded string phrases.

Willard White's Porgy is familiar from his recording of the work under Maazel; it was generously sung and touched in the minimum of stage gestures, rather as operas are packaged in Proms performances. La Verne Williams was an elegant Bess, sometimes underpowered—the Festival Hall with its temporary ballet proscenium is more unpredictable acoustically than usual—but matched Mr White well in the important duets. Excellent contributions too from Dorothy Ross (Serena) and Mary King (Maria) and especially from John Gibbs' Crown. Omissions notwithstanding, the exuberance and originality of Gershwin's masterpiece were well delivered; increasingly the opera reveals itself as a source-book for later composers. It also makes a splendid festival evening.

**Fine Art Society**

## The Art of Government

by ROY STRONG

Changes of Governments and Cabinet reshuffles can, as we know, affect the arts but its effect on the Government Art Collection is usually nothing short of devastating. Off the walls of countless Ministers go the pictures chosen by their predecessors. Down goes modern abstract and up goes a school of Lely lady: down goes a safe landscape and in comes a set of glossy photographs in slick silver frames. Nothing places a Minister (or anybody else for that matter) so quickly as their personal decor. Whether idiosyncratic or purchased it tells much if not all.

I could write quite a little novelette around the changing contents of the two vitrines in the office of the Secretary of State for Education! Those Ministers, however, really in the know, with art connections draw upon them. I spent quite a lot of time as Director of the National Portrait Gallery dishing out loans to Ministers and ambassadors. And I cannot deny that it gives me pleasure to see some of the V and A's Worcester porcelain shown to sparkling effect in 10 Downing Street at the request of the present incumbent.

All of which brings me to the exhibition at the Fine Art Society until August 26 somewhat drearily entitled "A Selection of 20th Century Pictures from the Government Art Collection." Most people, I suppose, will be surprised to learn that there is one. Well, there *is* and you will have already gathered that it contains some of the world's most travelled pictures. The side of the collection which gets an airing is the modern British collection.

Although in the past the purchase grant was modest, the present one in the region of £100,000 can hardly be called extravagant. As Dr Wendy Baron, the collection's curator, points out its strength must inevitably lie in "all sorts of intriguing byways in British art." The modern pictures must be British, they must be reasonably inexpensive, they must be able to stand up to being moved around and they must relate to the domestic and administrative architecture for which they are destined. Inevitably this pushes the choice back into the range of the *petit maitre* and *ecole de* and the minor work by the greater artist. In other words, into a non-national collection range and very redolent to me of purchases for regional museums and art galleries.

There is a good Paul Nash with beautiful muted colour and a strong surrealist streak, a view of the South Downs via a tennis ball. There's an intriguing early Ivon Hitchens, 1926, a still life, very Matisse but with art deco colouring. There is a handsome large chalk and gouache by John Piper of a Welsh landscape done in his best manner and purchased this year. The rhythm of names is as one would expect: Auerbach and Bomberg, Burra and Grant, McKnight Kauffer and Matthew Smith.

But then there are the odd surprises. Ithell Colquhoun's Marlowe's Faust (1931) is so pure an expression of its period that it makes one long for a comprehensive reconsideration of British painting between the wars that did not adhere to a doctrinaire narrative of modern art history. Pehaps one's favouite picture of the group is Norman Blamey's In the Cellar Mirror, in which presumably the artist and his wife peer into a Victorian glass over-mantle painted white. I have always admired the integrity of Blamey's painting, the sureness of his draughtsmanship and the subtle tonality which moves from green into grey into white and black.

One would have liked to have seen what was being purchased of work by younger artists. There is no birthdate later than 1935 for any artist in the exhibition. Is this the result of the selection committee thinking entirely in terms of its own generation or older? Apart from the chairman it is squarely made up of worthy *ex officio* national museum directors or art critics. One wonders in respect of modern works whether committee purchasing is ever satisfactory. The Contemporary Art Society's system of having one person to purchase for a year is perhaps the better one, warts and all. As this is a valuable act of patronage, a more imaginative approach to the acquisition (even the commissioning) of works by those below 45 might be a good idea.

"In the Cellar Mirror" by Norman Blamey

And although it is not the point of the exhibition there is reference to "sculpture" and tapestries." In the past ambassadors furnished their own embassies, and the furnishing of them by the state is entirely a post-War phenomenon. Surely itis about time that more thought was given to other areas in the field of the decorative arts. A great deal could be achieved for quite modest expenditure in this way. The terrible caterers' silver that appears at most official dinners is an indictment for a start and no advertisement for our craftsmen. Ceramics too would be a field to get into and one would just have to accept the odd breakages. Pictures are an important but too narrow a focus for the Government Art Collection and £10 or £15,000 of its purchase grant applied into other areas would be of immeasurable benefit.

One other point. When I was kindly shown the store of the Collection I was struck above all by the stacks of mass-produced likenesses of the present Queen in her coronation robes, the office state portrait by James Gunn, a maligned artist but who certainly was not at his best here. Surely there must be a way of replacing this archaic icon after 30 years? Its popularity as an image of our monarchy is reflected in the store full of returns. Image and reality no longer match and the precious gift of the crown desperately needs a new state portrait to take us down to the year 2000 and beyond. It would be a splendid act of patronage and a great challenge to produce that image. Do I hear Bryan Organ rustling in the wings?

## Jazz cruise on the Thames

The 1981 Pizza Jazz Festival is to be in the form of a cruise aboard the paddle steamer *The Elizabethan* on the Thames on Saturday evening August 22, departing from Charing Cross Pier (opposite the Embankment Underground station), at 8 pm, returning at midnight.

Heading the line-up of jazz artists who will be sailing and wailing are American saxists Sonny Stitt and Benny Waters. Also aboard will be the Pizza Express All Stars with singer Jeanie Lambe, plus British blues singer Beryl Bryden with the band of pianist Johnny Parker.

Tickets for the cruise cost £10, while a full poached salmon buffet may be had for an extra £7.50.

Tickets obtainable from any Pizza Express branch

**Elizabeth Hall**

## Vermeer Quartet

by ANDREW CLEMENTS

Familiar visitors to the South Bank summer festival, the Vermeer Quartet are a notable exception to the principle that fine string-quartet playing must necessarily be the result of long familiarity and slow maturation. In a relatively few years the group has become established alongside the best of the trans-atlantic groups. Since their first London appearances there has been a single personnel change: the violist Bernard Zaslaw has a faultless quartet pedigree—co-founder of the Composers' Quartet, quondam member of the Kohon and Fine Arts—and he has brought to the Vermeer a valuable weight.

In their two programmes for this year's Summer Music, the Quartet has taken one of the twin themes of the series, coupling Bartok and Beethoven. Their first concert included Bartok's fourth and fifth quartets, and in the Elizabeth Hall on Friday they gave the second and sixth—an unconventional coupling, pairing like with like—and completed the evening with Beethoven's only original string quintet, in C, Op. 29, with Ian Jewel as second viola.

If fixed in one's mind was an image of the Vermeer as an ensemble of refined, homogeneous tone, proceeding by small-scale inflection and extreme flexibility, their Bartok performances both confirmed and amplified it. There still remains an occasional want of decisive tonal power, and the knife-edge tensions of, say, the central movements of the sixth quartet are still nervously negotiated. But technical demands are no problem at all; the precise placing of each pizzicato in the *Burletta* of the sixth, and the *prestisimo* coda of the central movement of the second both provided faultless demonstrations.

Elsewhere there was ample demonstration of their easy lyrical gift: the first movement of No. 2 distinguished by some eloquent cello solos, the trio-like episode of its central movement a limpid oasis of calm. Only the last movement betrayed a suspicion of impersonality, of athematic music translated into a marmoreal sound-object, and similarly the finale of the sixth quartet kept overt emotion very much at a bow's length. An impressive recital all the same.

## Cécile Ousset

by DAVID MURRAY

Miss Ousset's programme on Sunday for South Bank Summer Music comprised Debussy (half the Preludes, six from each of the two books) and Mussorgsky (the *Pictures*, of course). Just the sort of thing one wants to hear from this magnificent pianist—but as usual in London, her enthusiastic audience fell far short of filling the hall. It was admittedly a lovely afternoon outside, but it cannot have offered rewards equal to those of Miss Ousset's playing.

Her Debussy was exemplary. Where, say, Pascal Rogé aims at a personal re-creation of the music, Miss Ousset's style is quite different: fastidious and scrupulously objective, though full of marvellous colour. She began with "Voiles," all glassy reflections with a singing undercurrent (and no "impressionist" blur—her pedalling is always exquisitely spare). She let "Les sons et le parfums" revolve more briskly than usual; there were long depths in the coda, and then a crisp little [illegible] of distant horns. "Minstrels," quite relaxed, carried a hint of soft-shoe, and in "Les collines d'Anacapri" a perfectly judged incursion of broad folk-*rubato* set off the familiar brilliance.

From Book II we had a "Terrasse des audiences" of extraordinary delicacy — and richness, for Miss Ousset drew upon a breathtaking range of tone-colour. There was a sting of petulance in the flirtatious "Ondine." "Les tierces alternées" was witty as well as dazzling. One expected "Feux d'artifice" to be spectacular, and it was, but no less for its irridescent variety than for its athletic triumphs.

In Miss Ousset's hands the piano-writing of *Pictures from an Exhibition* sounded unimprovable—something that few performances achieve. After hearing her for the first time I write that she "came on like Delilah, and played like Samson": still a fair observation, if a bit vulgar, for her clean strength is dauntingly impressive. The Mussorgsky suite needs it; with "Baba Yaga" and the "Great Gate at Kiev" at the end, in fact, she still had power to spare, producing a stirring clangour without harshness. It was distinctly French Mussorgsky, without late-Romantic indulgences: a memorably beautiful "Vecchio castello" proceeded with unbending poise. The clatter of the "Marketplace at Limoges" was so exciting that I didn't realise until a friend pointed it out that a whole section had somehow got omitted, and there were grand black sonorities in "Catacombae." Only one encore, a mercurial and teasing account of Fauré's Second Impromptu: was that a gentle rebuke to us for not being more numerous?

## Dance Umbrella '81

Riverside Studios will be the main London venue in *Dance Umbrella '81*, Britain's largest international festival of contemporary dance which will take place throughout the country from October 8 to November 15.

In five weeks of events at Riverside from October 13 to November 15, leading soloists and companies from Britain will perform alongside those from the U.S., Canada, France and Holland. The programme will feature a wide range of events including performances, workshops, master classes, seminars, films and exhibitions, and from November 9 to 15, Riverside in conjunction with the London Borough of Hammersmith and Fulham will host a Dance in Education programme as part of the Allsorts Young People's Festival.

Following the success of two previous festivals, *Dance Umbrella '81* has been considerably expanded with more artists participating in a larger selection of events. As well as performances at Riverside, the ICA, the Place and other venues in London, events will be held in Bristol, Brighton, Cardiff.

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# Debate over sterling

THE ALTERNATIVE economic strategy proposed by three professors with much policy experience looks at first sight like a restatement of all the more tradition policy errors which governed British decisions until two years ago. The combination of fiscal stimulation, devaluation and the hope for better sense in setting wages is hardly a novel one, and on these grounds it was easily brushed aside by Mr Nigel Lawson, the Financial Secretary. However, the argument is not quite as simple as that.

First, it is by no means self-evident that the new style of policy error is to be preferred to the old; its short-term consequences look considerably worse. Secondly, the professors make three statements which deserve to be examined on their merits: that the present slump is mainly due to Government policies, and that the control of the quantity of money, however defined, should be abandoned in favour of an interest rate policy aimed at activity and the exchange rate; and third, that the exchange rate is still too high to permit any real recovery. These represent judgments about our present situation, and not nostalgia.

## Policy errors

The Government cannot seriously deny that it made serious policy errors in its first two years of economic management, because these were implicitly admitted in a March Budget which courted heavy unpopularity in order to correct those errors.

Ministers would also privately admit that the effort to control the money supply has proved a *nightmare, and some of their* advisers secretly hanker after an alternative target. An exchange rate target would also be difficult, but it would be *more widely understood.*

However, the proposed alternative involves both a cuatious fiscal stimulus and a cut in interest rates. Such a combination would be feasible as a one-off expedient to reduce the exchange rate.

But in normal circumstances an exchange-rate target just like a monetary target, would impose a trade-off between fiscal and monetary restraint, and it is disingenuous to suggest otherwise, even by implication. The proposal to reimpose exchange controls is perhaps designed to square this circle for a somewhat longer *period: it is certainly not otherwise* compatible with the wish to see sterling cheaper.

This is really the crux of the argument: for the real criticism of the "alternative strategy" is that it is not a strategy at all, but a set of tactical expedients, which would need re-defining after quite a short period. The Government, whatever its errors of management, does have a strategy, and it is only against a strategic background that tactical questions can be considered sensibly.

Since its professed aim of stimulating enterprise by cutting taxes is now clearly only a hope for the future, the Government's working strategy can be defined as one of revival through challenge. A firm fiscal-monetary stance against inflation, combined with freedom in the capital markets, should in the long run ensure that the return on capital and real output per head rise towards international levels.

## Strategic test

This is a strategy which we support, and in a negative sense it is producing results. There is undoubtedly now more realism in industrial relations, and excessive overmanning is emerging in its true colours as excessive unemployment. It can still be asked, however, whether the pace is being overdone, so that strength through challenge has become strength through misery—a questionable approach both in economic and, as *Lord Thorneycroft might* stress, in political terms.

It is against this background that the case for some fiscal stimulus leading to a somewhat lower exchange rate should be judged, and it merits further study.

This would entail either pressure for higher interest rates, or some easing of the exchange rate. We would propose here that there is a strategic test for the exchange rate: it should be such as to ensure that at going wage rates, assuming reasonable restraint, the UK is an attractive location for any internationally competi*tive business. At present total* employment costs in the UK are very much in line with those in France and Italy, about a sixth lower than in Germany and lower by a third than those in the U.S. Given that the dollar is at the crest of a wave, and that our closest involvement is with Europe, sterling is clearly not low. It is arguable that a modest easing in the rate would be a valuable attraction for new enterprise.

*In short, a case can be argued* for the professors' tactical proposals within the general strategy being pursued by the Government; some of the *important questions involved* are not matters of doctrine, but of practical judgment. It is said that the name-calling on both sides should ensure that the retired tacticians and the strategic visionaries can engage only in a dialogue of the deaf.

# The next step for Poland

DEVELOPMENTS IN Poland have taken a constructive turn in the last few days after a period, in the aftermath to the historic party congress in mid-July, when anarchy appeared to be getting the upper hand. Within Poland the key development has been the ability of the trade union Solidarity, backed by the Roman Catholic Church, to rein in radicals bent on confrontation with the authorities in pursuit of further political and economic reform.

Solidarity, torn between idealism and unpleasant pragmatism, managed last week at a *meeting of its national commission* in Gdansk to suppress plans for a general strike and to urge its membership to face up to reality. The union called for an *end to strikes and marches* against food shortages, urged workers to volunteer for work on Saturdays, and acquiesced to a sharp increase in the price of *bread.*

## Re-scheduled debt

Outside Poland the most encouraging development was this weekend's communique issued after talks between the Soviet party leader, Leonid Brezhnev, and the Polish party leader, Stanislaw Kania, in the Crimea. This meeting led to a rescheduling of $4.2bn of Polish debt with the USSR for five years coupled with promises to *ship substantial* quantities of raw materials and consumer goods to Poland. It implied strongly that the Soviet Union was not looking to food-shortages, and the resulting civil unrest, to provide a pretext for intervention in Poland. It also suggested that the Soviet Union *had abandoned any hope that* economic discomfort in Poland might undermine support for Solidarity.

Yet the underlying problem of the Polish economy looms as large as ever. The country appears to most Western observers to be economically rudderless and drifting with its reserves of foreign exchange almost exhausted. The question of further Western aid to Poland becomes steadily more pressing: it will undoubtedly be at the core of meetings yesterday and today between the Polish foreign minister and his counterparts in France and West Germany. But the question of such aid poses the further question: what conditions should the West attach if it is to avoid repeating the mistakes of the Gierek years when Western credit underwrote and prolonged incompetent economic *management?*

In the short term it is important that the stop-gap economic programme needed in Poland, while a framework of longer term economic reform is worked out, should be made as palatable to the Polish people as possible. This means a concerted programme of aid-in-kind: hard currency remains inappropriate while the rescheduling of some $16bn of debts to private banks in the West remains unsure and this debt thus imposes a potential claim on currency made available.

Over the longer term there stretches the problem of the *$27bn of debt which Poland* owes Western Governments and Western banks. It is here that emphasis on economic conditions becomes appropriate, just as such conditions apply to any debtor in the West.

## Further credit

Private Western banks are in a much poorer position to impose economic terms on a sovereign borrower, though they are right to ask *Poland for more* credible and complete economic data. Poland's rescheduling of its bank debt, and its eventual access to further bank credit, will be greatly eased if it submits itself to the disciplines of membership of the International Monetary Fund.

THE EEC TURKEY WAR

# Why Britain is crying foul

By Ian Rodger

THE European Community, home of the butter mountain and the wine lake, may be about to witness the construction of a turkey pile.

Europe's fast-growing turkey industry is heading for a huge *glut this year mainly because a* gigantic new French processing plant has just come on stream and its owner is trying to elbow his way into the market with scant regard for costs.

Placings of poults (one-day-old chicks), the leading indicator of ultimate production, have jumped 15 per cent in France this year as against expected growth of only about 8 per cent in the domestic market.

Other French producers are worried, and the British, who have enjoyed fairly peaceful market conditions in the past few years, complain that the aggressive French are playing foul with various forms of Government subsidy.

Consumers, however, who got nothing but heartache from the butter and wine surpluses, stand to be the main beneficiaries of the emerging turkey glut. The European Commission has nothing to do with turkey production—not yet, at least—and so the producers' battle, which has brought shop prices down sharply in the past year, should keep them low for *some time to come.*

The main reason for the current turmoil is that turkey sales have been growing very rapidly in recent years. The big bird has been moving from its prestigious but commercially dull place of honour at the Christmas table to many more mundane roles in the regular family menu.

In France, for example, consumption per capita has jumped from 1½ lb in 1970 to 8 lb last year. In Britain, it has doubled in the past decade to nearly 5 lb while in the EEC as a whole, it has risen from 1¾ lb to 5¼ lb.

Turkey has become popular *partly because of its relatively* low cost—it is the most efficient converter of feed to meat—and partly because of its versatility. Its light colour and thick flesh make it a plausible substitute for veal, for example, and Italians are now the largest per capita consumers of turkey in the EEC. The leading British producer, Bernard Matthews, has gone further than most in the past year or so, developing a bewildering array of turkey *sausages, burgers, hams and* slicing meats as well as joints and fillets.

Of the 600,000 tonnes of turkey produced in the EEC, France and Italy each account for a third while Britain supplies 22 per cent. However, the French and Italian industries concentrate on sales of fresh portions while the British are still firmly anchored to the extraordinarily large sale of whole birds at Christmas.

Christmas sales accounted for nearly half the British tonnage last year compared to only 11 per cent of French production.

Both the British and Italian *industries tend to be largely* self sufficient, with only marginal exports and imports. The French industry, by contrast, led by a few dynamic young *Breton businessmen, has been* devoting major efforts to the development of exports. By last year, exports accounted for 18 per cent of production and a goal of 30 per cent has been set.

The French started by displacing the Belgians, Dutch and British from the important German market and last year turned their attention on Britain itself, supplying a minor 5,200 tonnes of whole birds and products, accounting for about 3 per cent of total UK consumption.

However, coming at a time when the Christmas market had reached saturation, the French *imports, which arrived at* surprisingly low prices, were enough to disrupt the market and British producers took fright.

The British market is dominated by seven large corporate producers, the largest being Bernard Matthews with around a 22 per cent share, while subsidiaries of J. Bibby, Imperial Group, Unilever, Esmark and Cargill each have between 10 and 15 per cent. North Farms *of Sussex has something less* than 10 per cent.

Matthews is the only public company almost exclusively specialising in turkeys and its profit growth record since it went public in 1971 has been enviable. After a small loss in 1974 during the last worldwide turkey glut, the company's profits have grown steadily, and despite the French invasion last year, rose 24 per cent to £4.75m. Return on capital employed last *year was 33 per cent.*

Matthews has not yet published interim figures for the current year but Mr Bernard Matthews, chairman, confirmed other reports that no British producer has been making any profits on the sale of whole birds as a result of the continuing pressure from the French.

Industry leaders claim that the French selling price in Britain of about 38p per pound, *which compares with British* production costs of about 47p per pound, mean that the French must be losing money too.

The British complain that the French can do this only because they are receiving unfair and illegal subsidies from the French Government. And they have enlisted the support of Mr Peter Walker, the Agriculture Minister, and the industry trade unions in a drive to stop French imports.

*Last week, the National Union* of Agricultural and Allied Workers threatened a blockade of ports and is now planning to picket shops that buy French turkey products.

Backed up by the EEC Commission in Brussels, the French argue that regional subsidies received by their turkey producers are legal and could be available to UK producers as well if they wanted to operate in a development area. In their *view, the differential in selling* prices is due to the greater efficiency of the French industry and/or the willingness of producers there to live with lower profit margins. They deny selling into the UK at a loss, although they admit frozen whole birds are being sold only at about the breakeven point.

The British scornfully dismiss any suggestion that they are not as efficient as the French. However, comparisons are not easy. The French publish a dazzling wealth of statistics about their operations and companies even exchange monthly operating data. But the British are more discreet.

"We don't hand out figures to anyone," Mr Matthews said.

*French figures indicate that* the typical cost of a frozen turkey ex-factory is about 39p per pound. Of this amount, about 16½p is spent on feed, 3.8p *on the poult,* 2p on variable costs, such as labour, heating and repairs, and 2p for fixed costs. Then delivery to the abattoir and slaughtering cost 2.6p to make a total of 26.9p. The slaughtered bird yields only about 80 per cent of its weight bringing the cost to 33½p and packaging and conditioning costs make up the rest.

If these figures are reasonably accurate, then they indicate at the least that capital subsidies are unlikely to account for most of the apparent 8p difference in production costs between the two countries.

A perhaps more important factor is a result of the different structures of the two industries. The French industry has concentrated in Brittany where there are large numbers of small (the British say peasant) farmers eager to take on turkey raising as a sideline. In Britain, by contrast, production is carried out on an industrial basis, with turkey sheds an integral part of the operation.

A typical small French farmer can count on an income of only about £8,000 a year in *return for his labour and an* investment of £35,000 in a 1,000 square-metre turkey shed. And the French reckon that one man would be occupied full-time running 2½ such sheds.

Certainly, no company or trade union would accept low returns like these, but then that is why the French have moved in such a large scale to Brittany.

"We used to produce in the big farming areas of France, but *it just doesn't work,*" M Jacques Hervieu, chairman of Les Abattoirs de Bellevue, one of the largest producers, said.

He also claimed that there was no future in *integrated* production as practised by the British and said he had contemplated setting up in South Wales to take advange of small farmers.

Another related factor is that the French pack their turkey sheds more intensively than the British, and so yield 120 tonnes a year per 1,000 square metres compared to less than 80 tonnes in Britain.

The British reply that they are following a code of practice set up more than 10 years ago following a study of appropriate stocking densities. They also point out that increased densities result in more bruising of birds, which is more serious in the whole-bird intensive market in Britain than in the French fresh cuts market.

In short, the arguments are complex and seem to be carried out on constantly shifting ground. What remains is that French production capacity is undergoing a huge increase this year which threatens to disrupt not only the British market but the French and other European markets as well.

Bourgoin—La Chaillotine, a major French producer, has just built, at a published cost of £7.3m, a processing complex at Guiscriff in the south of Brittany that could eventually supply 20 to 25m turkeys a year, roughly the equivalent of the entire British market.

Bourgoin is already producing at the rate of 8m birds a year at Guiscriff, making him the country's largest producer.

What is more disturbing to the British is that of the three production lines, only one is making fresh cuts for the domestic market. The other two are making frozen whole birds which can only be destined for export.

So far this year, French exports to Britain have been negligible. The build-up of the whole bird market comes late in the autumn *but the shape of* things to come can be seen because most of the poults have already been placed.

British placings *this year are likely to be unchanged from last* year's 26m. The turkey market is growing at about 10 per cent partly because of lower prices but there is an overhang of about 3½m turkeys in storage from last year.

In France, however, poult placings are up 15 per cent on last year's 51.7m while the domestic market is probably growing at about only half that rate.

"Guiscriff is a threat for us too," M Hervieu said, "but we react differently to the English. I didn't go on a holiday this year because I have to get ready for the autumn."

Thus the prospect is for a significant European turkey pile by the end of the year, and perhaps extending into next year.

Over the medium term, the picture is less clear. The French foresee continuing dramatic growth as turkey's share of the overall meat market in Europe rises. They forecast EEC production will double to 1.2m tonnes in three to five years and the UK market, in particular, will also grow by an average 15-*20 per cent in the next five* years.

But they also deny any hope to claim a significant long-term market share, pointing out that the British producers are all strong companies that can respond vigorously to any competitive threat.

If the turmoil persists, one possibility is that the European Commission might be asked to intervene and establish quotas. Both the French and the British *dread such an eventuality but it* has happened elsewhere in response to aggressive battles for market shares in non-soil production.

And if it did happen soon, the French would be well placed.

Bernard Matthews: "So far we have fought off the French on price, but they are in the dumping business."

Jacques Hervieu, pioneer of the modern French turkey industry. "If I got 47p a pound, I would be a rich man."

**EEC TURKEY MARKET**

000 tonnes

| | 1977 | 1978 | 1979 | 1980 |
|---|---|---|---|---|
| **Germany** | | | | |
| production | 22 | 27 | 34 | 36 |
| imports | 42 | 43 | 46 | 46 |
| exports | 0 | 0 | 0 | 0 |
| **France** | | | | |
| production | 135 | 148 | 177 | 204 |
| imports | 1 | 1 | 0 | 0 |
| exports | 13 | 14 | 24 | 32 |
| **Italy** | | | | |
| production | 140 | 150 | 180 | 195 |
| imports | 0 | 3 | 2 | 1 |
| exports | 0 | 0 | 1 | 1 |
| **United Kingdom** | | | | |
| production | 95 | 111 | 120 | 132 |
| imports | 4 | 4 | 6 | 9 |
| exports | 5 | 9 | 4 | 2 |
| **Others** | | | | |
| production | 31 | 35 | 40 | 33 |
| imports | 9 | 12 | 12 | 14 |
| exports | 18 | 17 | 18 | 14 |
| **Total EEC production** | 423 | 471 | 551 | 600 |

*Source: La Dinde par les chiffres, elements statistiques et economiques. Comite interprofessionnel de la dinde francaise, Mordelles, France. June 1981*

# MEN AND MATTERS

## Coining phrases

Assiduous followers of the $7.6bn Du Pont bid for Conoco may have been rather puzzled by the sudden emergence of "Big Rube and the double-barrel two-step" as the key to the chemical group's success in the high-rolling auction for the *ninth-largest U.S. oil company.*

What sort of men were Du Pont advisers First Boston employing nowadays? Big Rube being at least suggestive of, *shall we say, less-than-blue-chip* enterprise. And armed? And dancing?

First Boston mergers and acquisitions managing director *Joe Perella has a reassuringly* straightforward explanation of this latest addition to the colourful Wall Street vernacular. The "Rube" is one Rube Goldberg, a popular fictional character close in spirit to Heath Robinson—"the idea is of someone putting together something in his own house with bits of elastic bands, tape, pins, and whatever comes to hand," glosses Perella.

Which was, roughly, how First Boston saw itself improvising strategy for the Du Pont bid, adapting tactics used in earlier campaigns, notably the recent merger between Fluor and St Joe.

Meanwhile, on the Wall Street dance-floor, there are basically three types of bid: a direct cash tender offer, a share exchange offer and the so-called "two-step," involving a cash tender offer for part of a company, to be followed by an exchange of shares at some later date to complete the merger.

The Du Pont offer was distinctive in taking the "two-step" a step further. *For the first time in a major bid in the* U.S., Du Pont offered cash and shares simultaneously, thus creating the "double barrel two-step." "We just took the two-step and added a few elastic bands," says Perella. The strategy put an additional strain on timing, since the bidder had to file registration documents with the Securities and Exchange Commission before going ahead with its offer. But it paid off to the tune of clinching the largest-ever U.S. take-over at $22 a share less than was offered by top bidder Mobil.

That, then, is the parentage of the mysterious and terpsichorean Mr Rube. And to help make life generally easier for those uninitiated into Wall Street parlance, First Boston has produced a glossary of common bond market terminology. It reveals, among other things, that a James Bond is a 7¾ per cent Treasury issue due in 2007; dirty bonds are securi*ties issued by the Farmers* Home Administration; while anybody offering you Bo Derek on the cheap has nothing more romantic up his sleeve than 11¾ per cent Treasury 2010.

## Writing wrongs

The murky background to the story of Jack Henry Abbott, until recently literary secretary and protegé of writer Norman Mailer, became a little clearer in New York yesterday with the publication of a detailed New York Times investigation into the strange affair.

Abbott is a convicted armed robber who spent 22 years in jail, most of it in the Marion, Illinois, Federal Penitentiary where he was sent for killing a fellow inmate at another jail.

Things looked up for Abbott, however, when he started to write letters to Mailer as the author worked on his epic *portrait of Gary Gilmore, the* Utah murderer who was executed amid technicolour publicity in 1977.

Mailer, who says he has corresponded with many prisoners, concluded that Abbott was a literary genius and urged him to turn the letters into a book. "The Belly of the Beast" was duly published to great critical acclaim a few weeks ago. Meanwhile, Mailer was working to get Abbott out of jail, promising employment and support. "I am aware of the responsibility of what I propose," Mailer wrote to the Utah parole office in April.

The awful scale of that responsibility became clear last month, when Abbott was named as the prime suspect in a brutal Greenwich Village murder. A man answering Abbott's description knifed a young waiter when the waiter told him the bar's lavatory was for use only by employees. Abbott has since disappeared, but not without writing to his publisher, Random House, seeking to transfer his book royalties to his sister.

The drift of the Times investigation is that Abbott not only appears to have manipulated Mailer, but also to have helped undermine the activities of a Liberal Lawyers' Prisoners' Aid group at Marion, a jail used to accommodate some the country's toughest criminals since the closure of the infamous *Alcatraz prison in San Francisco* Bay.

The report also suggests that part of the original draft of Abbott's book, in which he de*scribes himself being tortured* by guards, was withdrawn not as Random House had suggested because of a "deal" with parole authorities but because *it may have been invented.*

"This is an emergency—is there an international banker on board?"

## New wave

The mills of energy research grind slow, and I hope they will forgive my saying that they sometimes give the impression *of going round in circles.*

I notice that the Marine Resources Project at Manchester University has just given a cautious endorsement to a thermal process for extracting energy from the ocean. You just set a simple heat exchanger to work on the substantial *difference in temperature* between the relatively warm surface water and the very cold deep water and, eureka, you have a constant source of vapour to drive a turbine.

There could, in short, scarcely be a more appropriate way in which to celebrate what is virtually the precise centenary of an event recorded thus in the Electricity Council's history of Electricity supply in Britain: 1881: The possibility of solar sea power from a thermal engine utilising the temperature differences between the warm surface layer and deeper colder layers in tropical waters was pointed out by D'Arsonval in Revue Scientifique, (Paris) 17 September.

## Open book

Politicians from all sides of the House were no doubt making sporting wagers on the outcome of yesterday evening's 7.30 at Leicester. Top of the card for the Measham Stakes was *No-U-Turn, followed by* Government Program.

**Observer**

**David Buchan,** recently in Delta, Central Utah, reports on local feeling towards the latest missiles plan

# Reagan's move in the MX shell game

"BOY, can she talk missiles," said Sue Dutson of a woman on the other side of a crowded diner in Delta, central Utah.

Mrs Dutson, who edits the local Millard County Chronicle, is no slouch herself at the jargon of "first strikes, Mirvs, survivability."

It almost seems as though everyone in Utah has taken a *crash course in thermonuclear* warfare in the two years since the Federal Government, under former President Jimmy Carter, proposed putting the MX nuclear missile system on a series of enormous racetracks in the arid mountainous plateau of Utah and Nevada.

The more Utahans and Nevadans learn about the idea, the less they *like* it.

The local anti-MX protestors are far from kindred spirits with the pacifists and ban-the-bombers who have formed the core of opposition in Europe to basing Cruise and Pershing missiles there, and possibly neutron warheads.

On the contrary, they are perhaps the most flag-waving, red, *white and blue* conservatives in the U.S.—in a word, Reaganites.

But the two groups, 5,000 miles apart, share a common aim: to keep nuclear missiles out of their backyard. True, the Utah-Nevada backyard is far vaster and less populated than Nato's central front. But, the plan is also vast—200 MX missiles, and about 4,600 shelters to move them between, linked by 10,000 miles of heavy duty roadway, in probably the biggest public works project since the Great Wall of China *or the Pyramids.*

The lowest estimate for this MX plan was $33bn (£18.5bn) two years ago. Many think it could have doubed since then.

MX opponents say this "Shell Game" system is strategically insane and environmentally disastrous. They now scent victory.

But nobody *knows for sure, as* President Reagan gears up to decide this month whether to accept the Carter plan, or if not, what to put in its place.

Billions of dollars and a key chunk of President Reagan's political support in the western U.S. are riding on his decision, and there could also be important consequences for any future *arms control talks* with Moscow and for Washington's push to get Western Europe to accept a new wave of medium-range nuclear missiles. It might affect European reaction to President Reagan's recent decision to order full production of neutron weapons.

The issue is not the MX missile itself. The need to replace the ageing Minuteman force with something more modern is widely recognised. The issue is how to deploy the MX so that it, too, does not become speedily vulnerable to the growing Soviet heavy missile force.

The options are to increase its protection or to conceal it. The aim of the Carter "Shell Game" plan was to baffle Soviet targeters by shuttling each MX missile around 23 shelters, on the same principle as shell games or three-card tricks practised by con-men on street corners.

*The betting that this plan is* now doomed rests on the strong hunch that President Reagan is not going to spend six months of office agonising over the MX simply to accept a plan politically tainted by its association with Mr. Carter. (Few realise that the germ of the "Shell Game" idea was sown in the Ford Administration.)

*But all the alternatives carry* such big drawbacks that the Administration seems to have become paralysed with indecision. President Reagan has taken a break in his holiday to hold a special session of his National Security Council in Los Angeles yesterday and to-*day to thrash* out the issues. But, at the same time, the President has said he does not expect to resolve the differences over MX between his top advis-*ers to reach a decision before* next month.

One option examined is to put MX missiles into the hardened vertical silos presently tenanted by Minuteman missiles and to ring them with anti-ballistic missiles (ABMs) to knock out an incoming Soviet strike.

The U.S.-Soviet ABM treaty *of 1972 prohibits all but a very* limited number of ABMs, though a chance to scrap this arises next year when the treaty comes up for review.

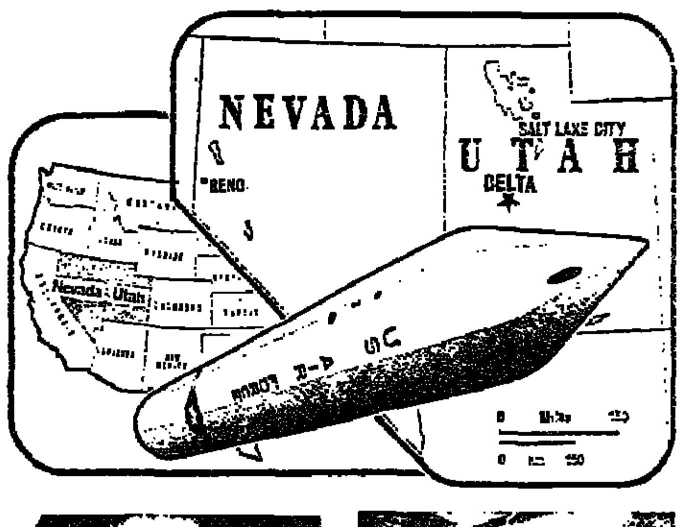
Other ideas are to put the MX in the air or under water. By one plan, each MX, weighing 250,000 lb, would be put aboard a converted C5 transport plane or eventually a custom built aircraft.

The MX-laden planes would be kept on alert in bases around the country, for take-off at the first sign of a Soviet attack. But this plan, espoused by Mr *Caspar Weinberger, the Defence* Secretary, has been roundly criticised by prominent Congressmen of both parties and also privately by some top air force generals, who might resign if it were adopted.

The U.S. Air Force is in charge of the Utah-Nevada scheme, and by now has a vested interest in it.

A third scheme is to put the MX on small submarines in U.S. coastal waters or maybe the Great Lakes, again in order to "fox" Soviet targeters. This idea has waned in favour of *the argument that communica*tions with submarines can sometimes be tricky and that the U.S. should not put another leg of its nuclear "triad" underwater in addition to the Trident submarine force.

Congress has approved $2bn for MX missile development in the year starting October 1, but it has frozen all funds for any deployment construction until Mr Reagan makes up his mind.



CASPAR WEINBERGER
An airborne plan

PAUL LAXALT
Influential opponent

Mr Reagan needs to decide what strategic systems he wants before he can contemplate sitting down and talking arms control with the Kremlin. A further dilemma is that cancelling or drastically scaling down the Carter MX plan might well undermine Washington's case for putting new missiles in Europe. Anti-nuclear objectors in Europe may justly argue that if Utah and Nevada can get away scot-free, why should not they?

This is why Mr Alexander Haig, the Secretary of State, is pushing for the Utah-Nevada MX plan to go through after all, and why he flew to the Reagan holiday hide-out over the weekend to make this point personally to the President.

Utah's protesters squirm when reminded that there is a parallel between their activities and those in Europe. They are loth to be identified with European "peaceniks" or be unpatriotic in undercutting U.S. foreign policy. Some deny the parallel. *Governor Scott Matheson* of Utah says he objects only to the vast "shell game" plan and would be happy to accept some MX missiles, if they were more narrowly deployed.

Others acknowledge there is a link and that victory for them could set a precedent for Europe. "Any land basing of missiles is a mistake because it affects the land and makes the people on it nuclear targets," Mrs Frances Farley, a Utah State Senator and a leading MX opponent here, has concluded.

There are powerful pressures on Mr Reagan to *maintain* the opposition to the Carter plan which he voiced during the 1980 campaign.

All but one of the governors, senators and congressmen of Utah and Nevada are set against the current MX plan—the exception is Senator Howard Cannon of Nevada and he is a Democrat. By far the most influential MX opponent is Senator Paul Laxalt, a long-time Reagan friend who was a key *figure in the President's* campaign and is now his closest associate on Capitol Hill.

The Mormon Church, which has the allegiance of 70 per cent of Utah's population and many members in Nevada, has come out against the "Shell Game" plan.

The Latter-Day Saints (as Mormons style themselves) said *they had not chosen their desert* retreat only for it to become the launching pad for a latter-day Armageddon, but argued that they would be just as opposed to the MX plan anywhere else in the U.S.

Whatever the Church's motives, its intervention was decisive in pushing the proportion of anti-MX Utahans from about 50 per cent to more than 70 per cent, according to the latest opinion poll.

*Mr Reagan would also risk* making a mockery of his "states rights" philosophy if his Federal Government imposed the MX on a reluctant Utah and Nevada.

People in both states are in any case very wary of Washington. They feel they have been "had" once before, by the above-ground nuclear testing in Nevada *in the 1950s, which* Washington said at the time was harmless.

In Southern Utah, where the Nevada fall-out blew east, the cancer and leukemia rate is eight times the national average, according to one of Governor Matheson's aides.

The result of this distrust is that MX opponents in the two states are opposed to even a scaled-down MX plan, because it would give the Federal Government a foot in the door.

They argue that 4,600 concrete shelters could easily become *8,000 or 9,000 shelters because* the Carter plan assumed that a ratified Salt 2 treaty would limit the number of Soviet warheads. Governor Matheson says that without Salt 2 it will be a race with the Soviets "in which we try to build protective shelters faster than they can build missiles and warheads."

The Governor does not pretend to be a nuclear specialist, but he knows he does not want Utah to be the site for such a race.

The "gut" local objections *to the MX are the environ*mental and social impact of thousands of outside workers and camp followers descending on the region's small towns to tear up fragile desert land and suck up scarce water. By one estimate it would take 100m tons of cement and gravel and 112bn gallons of water from the two states, which are the driest in the nation.

Mr Vincent Cropper is a third-generation rancher and head of the *Deseret Cattlemen's* Association (the place is commemorated in the Mormon hymn: "In our lovely Deseret where the saints of God have met").

Mr Cropper believes the MX would take so much land that cattle raising would have to be cut back 30-40 per cent.

Mining companies are also worried. Not only would the MX put off bounds for exploitation large tracts of land, but it would hamper seismological exploration in surrounding areas. Their opposition is par*ticularly important where min*ing outstrips gambling as the largest industry. Only last week, Exxon's mining division announced it had struck a big deposit of molybdenum slap in the heart of Nevada's MX country.

The MX has a few local friends. The central Utah town of Milford is keen for MX construction jobs to come its way, since it is a railway town which has just lost its railway. But many more areas of Utah have as much or more than they can handle with new energy development.

*A few miles from Delta,* the Intermountain Power Project is being built as the world's largest coal power plant (3,000 megawatts).

*Utah companies are helping* build stages of the MX rocket, but the jobs involved would stay even if the missile was based elsewhere.

The desert region's small towns want to stay small and maintain their Mormonesque norms against the "rowdy bars and porno shops" which Mrs Dutson and others are sure will follow in the MX's wake. It is a cry which Mr Reagan can be expected to hear, even when national defence is involved.

# Letters to the Editor

## Running the railways

*From the General Secretary, National Union of Railwaymen*

Sir,—Mr Neave (August 12) lays the blame for British Railways' problems on overmanning. Unfortunately, to support his case, he uses a mixture of incorrect 'facts' and innuendo.

He talks about 'surplus staff' of 38,000 as if the existing railway system using existing equipment could be run with 38,000 less staff. On the other had, the railway board argues *that, with large-scale investment* in, for example, new rolling stock and signalling equipment, and with cuts in services, there could potentially be a reduction of 38,000 staff working on the railways. The NUR does not accept that there is potential for a 38,000 cut in staff, given the excessive amounts of overtime currently worked by railwaymen and the *10,000* vacancies. But there is a world of difference between arguing there are 38,000 'surplus staff' and arguing there is potential for a 38,000 reduction in staff.

To argue that a cut in staff numbers of 38,000 would reduce the board's wages bill by £300m assumes wages costs of £7,895 per employee. This contrasts sharply with the board's estimate of the savings in wages costs arising from staff cuts over the last year of £4,897 per employee. Moreover, by confining himself to wage bill costs, Mr Neave fails to look at the other side of the equation; i.e. the cost of the increased investment that would be needed, the reduction in revenue from reduced services, *and the* increased cost to the tax-payer in the form of unemployment benefit.

Mr Neave claims 80 per cent of BR's locomotives and high speed trains are double manned. The board's own published estimate in 1976 was that less than 30 per cent of all locomotives were double manned, and this proportion has fallen since. If passenger services alone are taken less than 10 per cent are double manned.

He goes on to write: "Double manning ceased on most other European railways 10 years ago." Again, comparison can be made with BRB's views: "The single manning agreement and that connected with speeds in excess of 100 mph compare very favourably with manning agreements on other railway administrations. Most high speed trains (e.g., in France and Japan) are double manned with two drivers and double manning applies to conventional express trains running at moderate speeds in many European countries (e.g., Germany, Belgium, Sweden, Denmark)."

Mr Neave has the audacity to write that: "Manning levels are now manifestly out of line with Scandinavian, French and German railways and the consequence is a railway system that requires almost £3m a day in subsidy." Quite apart from his gross exaggeration of the size of the subsidy, Mr Neave is apparently unaware of the joint BRB/Leeds University comparative study of European railway systems. In 1977 the percentage of BR costs financed by subsidy was 28.8 per cent, compared with 38.8 per cent on German railways, 44.7 per cent on French railways, and between 40-50 per cent on Danish, *Norwegian and Finnish* railways. Of the 10 European countries studies only Swedish railways had a lower percentage *subsidy. Moreover, in his 1980* chairman's report, Sir Peter Parker wrote that over the past five years the Board had reduced its "call on the taxpayer by 14 per cent in real terms."

In fact, far from overmanning being the major cause of problems on BR, it is the inadequate financial framework within which the Board operates *which has brought the industry* to its present state. Restriction on borrowing powers has caused under-investment, which has directly hampered the industry's ability to improve productivity. Lack of subsidy has caused excessive increases in fares, forcing more and more traffic on to the roads, and a massive reduction in railwaymen's standard of living amounting to 29 per cent over the past six years.

The failure of the Railways Board to fully implement the findings of an independent tribunal was the last straw. The NUR can now see no alternative way of gaining recognition of the needs of the railway industry and those employed in it, other than by strike action.

S. Weighell.
*Unity House,*
*Euston Road, NW1.*

## The rail strike

*From the Chairman, Transport 2000*

*Sir,—On August 31, the first* national rail strike for 25 years is due to start. If it takes place it could well mark the beginning of the end for the ralalway system as we know it. It will emphasise the almost impossible nature of British Rail's task in making this the "Age of the train"; it will almost certainly lead to a dramatic increase in the loss of railwaymen's jobs; and the Government will be obliged to either make up for the lost traffic by increasing subsidies or to face the opprobrium of *closing down* large parts of the network.

Yet, although the three parties to the dispute give the impression of waiting Achilles-like in their tents, it seems that there is really much for them to talk about. The railwaymen whose wages in the last five years have fallen dramatically in relation to *other industries*, are naturally annoyed that productivity strings should be attached by BR to the pay-offer arrived at after independent arbitration. BR, on the other hand, clearly lacks the resources to do anything else. Only the Government is in a position to break the deadlock and it is in the public interest that it should do so.

The Transport Secretary, who has forced many concessions from the railways without giving a great deal in return, has *adopted* a wait-and-see attitude to future capital investment. He may feel entitled to ask for evidence of improved productivity before he switches public expenditure to BR; and those who work on the dailways are similarly entitled to stick to their position until they see their future more clearly. But unless these positions are quickly *reconciled both sides* will lose and so will the public.

A good and extensive railway system is vital to the well-being of any industrial nation like ours with a dense population, and all of us will suffer economically, socially and above all, environmentally if the *railways close down on August* 31. We have a right to expect our Government to do everything in its power to resolve the dispute which is partly of its own making, is potentially very damaging but is also, on the face of it, one where a solution is clearly within reach.

Harley Sherlock.
*Transport 2000,*
*40 James Street, W1.*

## Monitoring the public sector

*From Mr J. Clayton*

Sir,—Jim Proctor's plea (August 10) that "one in four town hall jobs should be axed" reflects the grim trend of official employment statistics.

Privately financed consumers' expenditure (CE) has been depressed—from 52½ to 45 per cent GNP; while public expenditure has been boosted—from 38 to 49 per cent GNP. They demonstrate that our inflation is rooted in excess PE, particularly from borrowed money; and that PE is now the dominant objective of our national effort.

| | 1963 m | 1981 m | Change |
|---|---|---|---|
| At work: | | | |
| Private sector | 19.4 | 15.1 | |
| Public utilities | 2.1 | 2.0 | |
| Productive labour | 21.5 | 17.1 | −4.4m |
| Central Government (inc forces) | 1.8 | 2.3 | |
| Local authorities | 1.9 | 3.1 | |
| Overhead labour | 3.7 | 5.4 | +1.7m |
| Overhead ratios | 17% | 31½% | +85% |

What a pity that anti-PE protest is not as glamorous as anti-nuclear demonstrations: the former peril is, indeed, more dangerous that the latter—as dangerous as the mediaeval plague. We are nearing the brink of disaster: unless Mrs Thatcher succeeds, PE—like Topsy—will continue to grow; hyperinflation will ensue and the destruction of our civilised society will be inevitable.

The main over-spenders—as indicated by Mr Proctor's reactions—have been local authorities, *and the newly elected GLC* is making new headway while public utilities are demonstrating their inefficiency by price increases at twice the rate of private industry.

I suggest the Government invites each of the leading firms of CAs to nominate a partner for a part-time unpaid job as finance director of a public *organisation, with an ex-presi*dent of the Institute of Chartered Accountants as co-ordinator. A dozen or so KBEs would be a small price to pay for the efficiency that could thus be engendered.

Jack Clayton,
*19, Park Road,*
*Cheam, Surrey.*

## Trade union immunities

*From the Executive Director, Managerial Professional and Staff Liaison Group*

Sir,—Many people in the UK are opposed to the closed shop practice and would rather see it discontinued on the basis that an individual should have the right to belong, or not to belong, to a trade union.

The judgment in the European courts will need careful study, but it is to be hoped that emotional response will be put aside and instead rational and *practical ideas will emerge.*

The Conservative 1971 Industrial Relations Act banned the pre-entry closed shop, but its effect upon ordinary workers did not change. The practice was driven underground, with the assurance from a Labour opposition that it would repeal the 1971 Act and reinstate all forms of immunities that applied before that date.

The conclusion of managers and professional employees is that if legislation is to be introduced, it should be of such a nature that subsequent governments would not be able to repeal the legislation, since to do so would be to take away further democratic and protective rights from the individual employee.

The advocates of legislation should therefore not ask for a re-run of the 1971 Act but put forward constructive, durable and new ideas. This group has recently done that in its submission to the Secretary of State for Employment and at a meeting with the Parliamentary Under-Secretary of State.

Compensation for unfair dismissal in a closed shop should attract much higher limits than at present available. Union membership agreements should be in writing, since it forms part of an individual's terms of service, and should be attached to each contract of service and registered centrally with the Certification Officer.

The Certification Officer, who is independent of union and employer, should undertake a review every five years in which by secret ballot 80 per cent of those affected would have to vote in favour for the UMA *to contitnue in force.* Ten per cent of the employees could trigger a further review by secret ballot by the Certification Officer if changed circumstances have occurred in the company, industry or union after, say, three years.

The above would not outlaw the closed shop but it would initiate further protection for *those dismissed* and would *make* the closed shop more democratic.

The closed shop is engrained in the system and to introduce legislation which may be frustrated and eventually repealed by a subsequent government would disrupt industrial relations.

Finally let me stress that managers and professional employees are in principle against closed shops, particularly in education and health care, where in the latter there are none at present and none should be introduced, but we do see harm in banning them. It would be far better for the Government to educate and influence the public, employers and trade union membership, providing the basic framework for the union membership themselves to reject the closed shop.

Wilfred Aspinall.
*BMA House,*
*Tavistock Square, WC1.*

# Today's Events

**GENERAL**

**UK:** Shipyard workers' delegates meet in Newcastle to vote on industrial action in British Shipbuilders.

British Rail publishes interim report.

Seven-mile section of the M20 Swanley - Folkestone motorway opened between Cheriton and Sellindge, Kent.

**Overseas:** Mr Norman Lamont, Parliamentary Under Secretary of State for the Department of Energy, attends the United Nations Conference on New and Renewable Sources of Energy, in *Nairobi* (until August 22).

Australian Budget presented to Parliament, Canberra.

President Ronald Reagan reviews spending cuts at special National Security Council Meeting, Los Angeles.

Count Otto Lambsdorff, West German Economics Minister, begins visit to Sri Lanka (until August 21).

Mr Jozef Czyrek, Polish Foreign Minister, concludes informal talks with Herr Hans Dietrich Genscher, West German Foreign Minister, near Reighenhall, Bavaria.

*Sir Ronald Gardner Thorpe,* Lord Mayor of London, visits Argentina, meets Mayor of Buenos Aires.

**OFFICIAL STATISTICS**

*Preliminary* estimate of gross domestic product based on output data for the first quarter, issued by the Central Statistical Office.

**COMPANY MEETINGS**

*Control Securities, Cafe Royal,* Regent Street, W, 12.00. International Timber, Tower Hotel, St. Katherines Way, E, 12.00. Oil and Associated Investment Trust, Winchester House, 100 Old Broad *Street, EC, 12.00. Racal* Electronics, Waldorf Hotel, Aldwych, WC, 11.45.

**COMPANY RESULTS**

Final dividends: Anex Properties, Capital and National Trust, Meat Trade Suppliers, Wholesale Fittings. Interim dividends: Barton and Sons, Dufay Bitumastic, First Scottish American Trust, International Investment Trust, Olives Paper Mill, Unilever.

**CITY OF LONDON LUNCHTIME MUSIC**

Organ recital of Bach's 48 Preludes and Fugues, played by Harold Dexter, St. Botolph Aldgate, EC, 1.05 pm.

Recital by the Conchord Quartet, St. Lawrence Jewry, Gresham Street, 1.00 pm.

# UK COMPANY NEWS

## Royal's underwriting losses soar to £30m

BETTER results from its U.S. operations in the first half of 1981 *is reported by* **Royal Insurance,** with underwriting losses in that country slightly lower at £12.5m. This was in complete contrast to the general trend in the U.S. where underwriting losses are soaring.

But despite this improvement, world-wide underwriting losses doubled over the period from £15.6m to £30.6m. Investment income climbed to £89m against £70.8m, of which £6.6m arose from the investment of the rights issue money raised at the beginning of the year.

It was the rights issue interest that enabled pre-tax profits to rise by nearly 10 per cent from £62.4m to £68m for the period.

A slightly higher tax charge of £27.4m, resulted in attributable profit rising 12 per cent from £35.8m to £40.2m. Earnings per share, adjusting for the bonus element in the rights issue was 21.8p, compared with 23.4p.

The interim dividend is lifted from 9.25p to 9.75p per share. the underlying growth, allowing for the bonus element in the rights issue being 7.2 per cent.

The company pointed out that it had made a cautious increase at the interim stage because it *felt the correct time to review* dividend levels at the year end when full information on the period's trading was available.

Premium income increased by 12 per cent in sterling terms to £724.8m (£647.6m), illustrating the group's shift in emphasis towards cautious expansion.

*Premium income in the U.S.* grew by 11¾ per cent, amounting to £251.8m in sterling terms. Part of this growth represented expansion in real terms, with Royal shifting the geographical spread of its business from the north-east to other faster growing *parts of the country.* Underwriting losses were cut from £12.8m to £12.5m.

There was an improvement in personal lines and all commercial lines except property, despite the general deterioration in the market and continued highly competitive conditions, which particularly affected the multi-peril account.

The operating ratio in the U.S. improved from 104 per cent to 102.5 per cent with the claims ratio improving from 72.5 per cent to 72 per cent and the expense ratio from 31.5 per cent to 30.5 per cent.

The results in Canada were, in the company's own admission, appalling, with underwriting losses more than tripling from £5.7m to £19.3m and accounting for much of the deterioration in the overall losses. These losses in Canada exceeded investment income.

Premium growth was 7½ per cent, coming from a rate increase at the beginning of the year. The company, the largest insurer in Canada was 8½ per cent of the market, is making a second rate increase in motor and household premiums, but does not expect any significant improvement in the second half of this year.

Australia also reported a similar situation with more than *doubled underwriting losses of* £7.4m (£3.3m), and like Canada, there was a trading loss with underwriting losses which exceeded investment income.

Rate increases on personal lines begun last year continued, and there have been some increases in rates for workers' compensation business.

In the UK, Royal fully benefitted from the absence of adverse weather and a reduction in the number of large fire losses. *Premium income* grew by 16 per cent to £232m and the underwriting profit rose by half from £7.1m to £10.5m.

The motor account recorded a slight profit over the half-year with lower numbers of claims and a deceleration in the rate of increase of claims costs.

Royal has already announced that it is not increasing its motor premiums rates on October 1—the anniversary for such premium reviews. The household account, with its large building society involvement, showed an increased profit.

*However the company* has been affected by the continued emergence of industrial disease claims on liability business written in prior years, and has strengthened its reserves by several millions.

There was a satisfactory underwriting profit of £1.8m in the Netherlands, but growth in premiums was minimal because of severe competition.

Elsewhere, underwriting experience was mixed.

See Lex

### HIGHLIGHTS

After briefly looking at the financial markets in the light of the rise in sterling yesterday Lex moves on to review the major company result of the day. Half time profits from Royal Insurance rose from £62.4m to £68m, better than some of the analysts' predictions though the dividend has only been lifted by 0.5p. Also in the insurance sector Swiss insurance group, **Winterthur,** is bidding for the three-quarters of **Provident Life** that it does not already own. Lex then considers the £75m droplock issue by **Birmingham Council** before moving on to evaluate **Guthrie's** $68m acquisition of **Page Airways** of the U.S. Other major features include the news that a receiver has gone in at **Oxley Printing** while at **Heron** the company is raising £75m by a syndicated loan to hit the acquisition trail.

## Herrburger Brooks down to £111,000

A SECOND-HALF LOSS of £23,458 compared with profits of £241,188 *has resulted in pre-tax* profits of Herrburger Brooks falling from £397,944 to £111,430 in the full year to May 31 1981. No dividends are being paid for the year against the previous year's total of 2.52p net.

The directors say that because of the strength of sterling against European currencies and the severe competition mainly from the Far East, the company, maker of piano actions, keys and hammers, faced resistance from customers in passing on increased costs.

In addition, they say, the reduced sales volume in the UK of 55 per cent compared with the previous year, coupled with redundancy payments and high interest charges, caused the fall in pre-tax profits.

Turnover was down from £5.6m to £4.94m. After tax up from £40,141 to £58,429, attributable profits were considerably lower at £53,001 (£324,886). Stated earnings per 25p share fell from 27.39p to 4.06p.

On a CCA basis, pre-tax profits were just £2,831.

## Straits SS well ahead

**By Our Financial Staff**

STRAITS STEAMSHIP COMPANY of Singapore lifted group attributable profit from S$6.43m to S$7.79m (*U.S.$3.6m*) in the six months ended June 30, on turnover of S$89.51m against S$83.78m. The interim dividend is maintained at 8 per cent on capital increased by a one-for-four issue made earlier this year.

Operating profit rose from S$12.22m to S$13.73m reflecting higher property earnings, but shipping profits declined on lower growth and competitive pressures in the coastal trades and the international container services.

Attributable profit includes an extraordinary gain of S$0.88m on the disposal of discontinued activities and an oilfield supply base in Brunei. Last year there was an extraordinary loss of S$149,000.

Despite there being less buoyancy than in 1980 in some operating sectors, the company expects its widespread activities to ensure the first half improvement is sustained for the full year.

## Horizon ahead midway: confirms year end rise

PRE-TAX profits of **Horizon Travel** expanded from £539,966 *to £650,793 for the half-year* ended May 31 1981 and the directors confirm their forecast that full-year figures would exceed the £7.4m of 1979-80.

Turnover moved ahead from £24.5m to £28.58m for the six months and the interim dividend is effectively increased to 1.15p (0.83p) net per 25p share. In April the directors forecast a total of at least 5p for the year, against an adjusted 3.6753p.

Holidays sold for the current summer are at record levels, and the company expects to carry in excess of 280,000 passengers—a 10 per cent increase—at an average load factor of more than 90 per cent.

The new Gatwick programme has started successfully and Horizon expects to carry more than 25,000 passengers in the first season.

Bookings taken for next winter slightly exceed last year's

Orion Airways has contributed substantially to first half profits, and the new programme, to the group-owned hotels at Mojacar, South Spain, has started well.

After tax of £362,337 (£303,368) earnings per share are shown as 1.63p (1.34p).

Mr Robert Muckleston has been appointed joint group deputy chief executive, together with Mr Kenneth Franklin.

### ● comment

The strong rise in **Horizon** shares over the last month boiled over a little yesterday as the price came back 7p to 287p. The fall probably has its roots in a technical reaction for the group is *still* making a case for useful medium term growth. Up by a fifth at the interim stage, profits should respond well to a 15 per cent rise projected in summer bookings this season and something usefully over £10m must be the target for the full year. Yet all of this is fairly well discounted and next winter, on the basis that the second holiday is probably a prime recessionary target, will be more difficult. Horizon is enjoying a slight rise in winter bookings in a generally flat market but the 1982 summer programme will almost certainly require surcharges as the cushion of forward dollar purchases earlier this year finally subsides. Depreciation is up by some £500,000 at the interim stage and interest received has slipped by £200,000 or so but bank balances remain at £20m and first year allowances on recent aircraft purchases will eliminate almost all tax but a £450,000 ACT charge. The maximum fully taxed prospective p/e of 10.5 and the 2.5 per cent forecast yield are still willing to look some way ahead.

### DIVIDENDS ANNOUNCED

| | Current payment | Date of payment | Corresponding div. | Total for year | Total last year |
|---|---|---|---|---|---|
| Charles Baynes ......int. | 0.25 | Oct 1 | 0.2* | — | 0.63* |
| T. F. & J. F. Braime int. | 1.5 | Oct 7 | 1.5 | — | 3.5 |
| Gold Fields Prop. ......... | 14§ | Oct 6 | 10 | 14 | 10 |
| Herrburger Brooks ...... | nil | — | 2.52 | nil | 2.52 |
| Horizon Travel ......int. | 1.15† | Oct 9 | 0.83* | ‡ | 3.68* |
| *Inv. Tr. of Guernsey int.* | 4.5¶ | — | 4 | — | 11 |
| McKay Secs. ............... | 1.35 | Oct 7 | 1.35 | 2.7 | 2.36* |
| New Wits ................. | 28§ | Oct 6 | 22 | 46 | 36 |
| Palmerston Inv. Tst. ... | 1.41 | Oct 6 | 1.14 | 2 | 1.73 |
| Royal Insurance ......int | 9.75† | Jan 5 | 9.25 | — | 24 |
| Vibroplant ................ | 9.28 | Oct 12 | 9.28 | 14.53 | 14.53 |
| Vogels ...................int. | 5§ | Oct 6 | 5 | — | 16 |

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital *increased by rights and/or acquisition issues.* ‡ *Total of* at least 5p forecast. § South African cents throughout. ¶ Gross throughout.

## Vibroplant plunges to £1.92m

AS ANTICIPATED in the company's mid-term report second-half performance at **Vibroplant Holdings** was depressed. This plant hirer finished the year to March 31 1981 with pre-tax profit down from a record £3.82m to £1.92m, with a sharp decline in the second six months from £1.75m to £555,543.

At half-time, taxable profit had slipped to £1.36m (£2.07m), but sales were up at *£7.09m* (£6.76m). The directors said then that demand had been reduced significantly due to competition, over capacity in industry and the general recession.

Even so, they were optimistic of the company's long-term *prosperity with additional* outlets for its services, and economies made.

Lower sales after midway left turnover for the year down from £14.09m to £12.42m.

Stated earnings per 25p share emerged at 20.83p (48.5p) after tax of £666,650 (£906,646). The net total dividend is held at 14.525p by a same-again final of 9.275p, and absorbed £639,100 (same).

Retained profit came out at £610,597 (£2.27m).

Meeting Leeds, September 21.

### ● comment

While many of its competitors in the plant-hire sector have dropped into the red, Vibroplant has managed to turn in a reasonable profit and maintain its dividend. However, fierce overcapacity and depressed demand continue to plague the group and it is doubtful whether much of a profit can be produced in the current year. Both Portable Buildings and Shorpak Trench Systems have declined dramatically and only the Airpac division is holding up well. In its drive to further diversify, Vibroplant invested £1m in a hi-work platform division which is growing rapidly and could contribute to profits in 1981-82. Borrowings over the year were cut from £2.6m to £2.1m leaving capital gearing at less than 20 per cent. The shares, up 5p to 220p, yield nearly 10 per cent and the dividend is covered nearly two times.

## Heron Corp. arranges £75m loan

**Heron Corporation,** which has interests ranging from commercial property investment and development to motor vehicle distribution, has arranged a £75m syndicated 10-year unsecured loan to help it make a major acquisition.

Mr Gerald Ronson, Heron's chairman, said yesterday that the group was "looking to make a major acquisition over the next 18 months." He stressed that it would be "just one" acquisition between £50m to £100m. Any acquisition was likely to involve a UK company with a Stock Exchange listing.

The syndicated unsecured loan—the terms of which have been undisclosed—were arranged by 12 banks, led by Barclays Merchant Bank. The package was said by Mr Ronson to be "heavily oversubscribed."

Part of the funds raised will go towards the repayment and rescheduling of short term debt.

Heron Corporation is a wholly owned subsidiary of Heron International. Its activities include commercial property investment and development, insurance, petrol retailing, motor *vehicle distribution* and retailing, motorcycle distribution, residential housing estate development and consumer products distribution.

## Hampton Corp's seven proposals to oust Stoddard board

**Hampton Corporation,** a Panamanian registered company and a significant shareholder in **Stoddard Holdings,** the Scottish Axminster and Wilton carpet maker, is planning to seek to remove the chairman from the board of Stoddard, together with his co-directors.

In a letter to Stoddard's company secretary sent last week, Hampton has said that it would like placed on the agenda a list of proposals for the 88th annual general meeting of the company. "In due course we will forward *a letter to shareholders detailing* our reasons for these proposals," says Hampton.

Hampton's proposals are:

- ● To reject the directors report and accounts for the year;
- ● To appoint outside independent auditors to examine the affairs of the company and report on its condition;
- ● To make the retirement age of 65 for directors mandatory;
- ● To remove the chairman and directors of the company;
- ● To appoint a committee to investigate the purchase of Lyle *Tufted Carpets and the* carpet operations acquired from Guthrie Corporation;
- ● To elect three financial persons to the board of directors;
- ● To appoint a merchant bank to seek a buyer prepared to pay a fair price for the carpet operations of the company

Stoddard, Britain's second largest carpet manufacturer, announced a loss last month for its last financial trading period for the 10 months to March 31 1981. The group reported a pre-tax loss of £1.87m compared with a surplus for the last full financial year of £86,000.

But Sir Robert Maclean, the chairman, repeated his forecast, that if current demand is maintained, the group should be operating profitably by the second half of the current year.

The group's result had been affected in its last financial trading period by the acquisition of British Carpets, a subsidiary of Guthrie Corporation.

Hampton has built up its stake in Stoddard to around 12.05 per cent of the voting shares.

### BRITISH SIDAC

Following approval by the main debenture stock holders the restructuring of **British Sidac,** the cellulose film making subsidiary of UCB (Investments) can now proceed. As a result the rate of interest on the 5¾ per cent debenture stock 1985/90 is increased to 6 per cent as from July 21 last.

### HOTHAM GROUP

**Hotham Group,** through Hotham Investments, has acquired 50 per cent of the equity of Mersey Insulation Company from Hutchison Engineering Group.

Mersey Insulation and its subsidiaries' activities are in shipbuilding repairing, and insulation for the industrial and domestic market.

## £2m payout to Scott Lithgow

THE Bank of England says that, in accordance with the Aircraft and Shipbuilding Industries Act 1977, an issue of about £1.94m of 10 per cent Exchequer Stock 1983 is being made as compensation due in respect of the unquoted securities of Scott Lithgow.

This follows the announcement on August 12 by the Department of Industry and the stockholders' representative that compensation had been agreed.

The issue of 10 per cent Exchequer Stock 1983 will be made at the rate of £100 Exchequer Stock per £92½ compensation.

The stock issued will rank for a full six months' interest on December 12 1981 and will not be distinguished from 10 per cent Exchequer Stock 1983 already in being.

A special interest payment will be made covering the period from July 1 1977 to June 12 1981.

*Dealings in the stock being* issued will take place from today.

## Difficult time ahead for Kennedy Smale

In common with most engineering businesses in the private sector, a difficult time is ahead for **Kennedy Smale** and the immediate outlook is bleak, says the board.

However, the company, which has interests in control equipment and textile machinery, is proceeding in the confident belief that any fall in its manufacturing profits will be more than offset by the increased contribution from its expanding property division.

Although the company is intent, in due course, on becoming a property investment concern, it is still seeking to acquire an additional engineering business with end-products located in the Midlands, which will complement its existing activities and expand its engineering division and profits.

The board is being selective, however, and as yet no suitable acquisition has come to its notice.

Group pre-tax profits for the year to March 31 1981 moved ahead from £700,064 to £941,202.

### SPAIN

| August 14 | Price % | + or − |
|---|---|---|
| Banco Bilbao ........... | 359 | |
| Banco Central ........... | 284 | |
| Banco Exterior ........... | 436 | +4 |
| Banco Hispano ........... | 331 | |
| *Banco Ind. Cat.* ........... | 127 | |
| Banco Santander ........... | 403 | |
| Banco Urquijo ........... | 226 | |
| Banco Vizcaya ........... | 279 | +2 |
| Banco Zaragoza ........... | 243 | |
| Dragados ........... | 220 | +1 |
| Espanola Zinc ........... | 78 | |
| Fecsa ........... | 71 | |
| Gal. Preciados ........... | 52 | |
| Hidrola ........... | 79.7 | +0.5 |
| *Iberduero* ........... | 57 | +0.5 |
| Petroleos ........... | 128.5 | +2.5 |
| Petroliber ........... | 85 | |
| Sogefisa ........... | 54 | |
| Telefonica ........... | 77.5 | |
| Union Elect. ........... | 76.5 | |

## RESULTS AND ACCOUNTS IN BRIEF

ANGLO - INTERNATIONAL INVESTMENT TRUST. *For six months to June 30 1981.* Interim dividend 2p net (same) per 25p share; revenue £256,686 (£247,025); tax £89,088 (£76,323). attributable profit £167,598 (£170,793): net assets—taking listed investments at mid-market value—£8.96m equivalent to 328p per share (241p). 48 per cent of total assets invested in UK, 44 per cent in Far East, 3 per cent in South Africa, 2 per cent in the U.S., and balance in cash.

INCH KENNETH KAJANG RUBBER (rubber and oil palm grower in Malaysia). half year to June 30 1981. Turnover M$1.32m (M$1.53m): overheads and expenses M$1.15m (M$1.1m): net operating income M$186,934 (M$496,299). other income M$232,594 (M$133,632): pre-tax profit M$399,249 (M$629,931) equivalent to £81,692 (£124,185).

G. M. FIRTH (METALS)—Results for year to March 31, 1981, reported July 17. Group fixed assets £774,075 (£831,602). net current assets £1.93m (£2.09m) including cash £0.31m (£1.16m). Shareholders' funds £2.63m (£2.3m). Net decrease in working capital £193,322 (£272,818 increase). Company proposes to change its name to G. M. Firth (Holdings). Meeting, Bradford, September 7, 11.30 am.

RUBBER ESTATES OF CEYLON—Net loss for 1980 £2,647 (*profit £6,008*). No dividend (same).

DIMBULA VALLEY CEYLON—Interim 8p (10p) in lieu of final. Profit £57,490 (£22,854) after tax £7,935 (£5,559)

MUNTON BROS. (Belfast-based shirt maker to Marks and Spencer)—Results for newly-limited company for April 30, 1981, year, reported July 1. Group fixed assets £644,303 (£41,866). net current assets £427,131 (£256,622). shareholders' funds £883,874 (£296,293). Chairman's emoluments £11,159 (£5,479). Meeting, Westbury Hotel, W. September 10, noon.

HOGG ROBINSON (insurance broking)—*Results for year ended March* 31 1981 reported July 22. Group fixed assets £26.76m (£25.05m). net current assets £2.15m (£2.7m). shareholders' funds £37.4m (£35.8m). CCA pre-tax £8.54m (£9.02m historic) Chairman's emoluments £81,000 (£71,000). Meeting, 14-20 St Mary Axe, EC, September 18, 12.15 pm.

ASSOCIATED LEISURE—Results for year ended March 15 1981 reported July 7. Group fixed assets £26.14m (£22.31m). shareholders' funds £21.53m (£18.72m). Total net assets £26.34m (£22.78m) Meeting, Savoy Hotel, WC. September 10, noon.

JAMES LATHAM (timber importer)—Results for year to March 31 1981 already reported with prospects. Group shareholders' funds £10.37m (£9.55m) Fixed assets £4.47m (£4.41m). Net current assets £6.01m (£6.72m). Decrease in working capital £677,050 (£191,000 increase). Meeting, Company's registered office, Clapton, E. September 9, 2.30 pm.

ASTRA INDUSTRIAL GROUP (engineer)—Results for year to April 30 1981 reported on July 22. Current assets £3.11m (£3.9m). current liabilities £1.72m (£2.73m): shareholders' *funds £5.18m (£4.29m). Increase in* net liquid funds £575,820 (£1.21m decrease). CCA pre-tax profits £450,000. Imperial Tobacco Company *Pension Trust, jointly with Imperial* Tobacco Company Pensions Investments, are the holders of 1.63m shares (7½ per cent) of the company. Meeting, Midland Hotel, Birmingham, September 9, at noon.

CENTREWAY (investment holding company)—Results for year to March 31 1981 reported on July 29. Fixed assets £3.33m (£3.16m): investments in *unlisted associated company* £73,154 (nil): listed investments £97,606 (£98,434): current assets £2.25m (£4.61m). including debtors £2.08m (£2.94m) and bank deposits, balances and cash £522,162 (£943,309): net current assets £1.45m (£1.97m): shareholders' funds £3.98m (£4.32m); decrease in working capital £2.52m (£1.26m increase). On a CCA basis *there was a pre-tax loss of £326,000.* Meeting, Birmingham, October 8, 12.30 pm

WINTERBOTTOM ENERGY TRUST—Net asset value per share as at August 14 1981 was 101.2p after deduction of prior charges at market value

LAGANVALE ESTATE (property investment and development)—Net *profits for year to April 30 1981* (£6,821) and earnings per 10p share 0.87p (0.24p).

### EUROPEAN OPTIONS EXCHANGE

| Series | | Aug. Vol. | Aug. Last | Nov. Vol. | Nov. Last | Feb. Vol. | Feb. Last | Stock |
|---|---|---|---|---|---|---|---|---|
| GOLD C | $400 | 5 | 13 B | — | — | — | — | $412.75 |
| GOLD C | $425 | 1 | 1.50 | 2 | 25 | — | — | " |
| GOLD C | $450 | 6 | 0.30 | 21 | 13 | — | — | " |
| GOLD C | $475 | — | — | 5 | 7 | — | — | " |
| GOLD P | $375 | — | — | 2 | 5 | — | — | " |
| GOLD P | $400 | — | — | 9 | 16 | — | — | " |
| GOLD P | $425 | 20 | — | — | — | 2 | 29.50 | " |
| | | Oct. | | Jan. | | April | | |
| ABN C | F.300 | 9 | 11.50 | — | — | — | — | F.306.50 |
| ABN C | F.320 | 28 | 4.50 | 5 | 8.50 A | — | — | " |
| AKZO C | F.25 | 5 | 2.80 | — | — | — | — | F.26.30 |
| AKZO C | F.27.50 | 87 | 1.40 | 12 | 2.70 | — | — | " |
| AKZO P | F.22.50 | 10 | 0.30 | — | — | — | — | " |
| AKZO P | F.25 | — | — | 5 | 1 | — | — | " |
| HEIN C | F.50 | 35 | 1.70 | — | — | — | — | F.46.50 |
| HEIN C | F.55 | — | — | 4 | 1.40 | — | — | " |
| HEIN P | F.45 | — | — | 4 | 2.60 | — | — | " |
| HOOG P | F.17.50 | — | — | 5 | 1 | — | — | F.18.40 |
| KLM C | F.80 | 5 | 33 | — | — | — | — | F.111.50 |
| KLM C | F.100 | 15 | 17.50 | — | — | — | — | " |
| KLM C | F.110 | 73 | 12 | 4 | 19 | — | — | " |
| KLM C | F.120 | 60 | 8.30 | — | — | — | — | " |
| KLM C | F.130 | 20 | 5 | 10 | 10 | — | — | " |
| KLM C | F.140 | 11 | 3.20 | — | — | — | — | " |
| KLM C | F.150 | — | — | 28 | 4 | — | — | " |
| KLM P | F.90 | 28 | 1.60 B | — | — | — | — | " |
| KLM P | F.100 | 26 | 4 | — | — | — | — | " |
| KLM P | F.110 | 57 | 7.60 | — | — | — | — | " |
| KLM P | F.120 | 10 | 12 | — | — | — | — | " |
| NEDL C | F.140 | 11 | 18 | 5 | 19 | — | — | F.154.50 |
| NEDL C | F.150 | 29 | 11.20 | 10 | 15 | — | — | " |
| NEDL C | F.160 | 25 | 7 | 5 | 11 | — | — | " |
| NEDL P | F.160 | 30 | 8 | — | — | — | — | " |
| NATN C | F.115 | — | — | 6 | 8.20 | — | — | F.116.50 |
| NATN C | F.125 | — | — | 5 | 4.30 | — | — | " |
| PHIL C | F.17.50 | 50 | 6.60 | — | — | — | — | F.23.60 |
| PHIL C | F.20 | 10 | 4.60 | — | — | — | — | " |
| PHIL C | F.22.50 | 59 | 2.60 B | 8 | 3.80 | — | — | " |
| PHIL C | F.25 | 119 | 1.30 | 14 | 2.30 | 31 | 3 | " |
| PHIL C | F.27.50 | 130 | 0.40 | 174 | 1.20 | — | — | " |
| PHIL P | F.20 | 10 | 0.20 | 20 | 0.40 | — | — | " |
| PHIL P | F.22.50 | 40 | 0.50 B | 20 | 1 | — | — | " |
| PHIL P | F.25 | 173 | 1.60 | 20 | 2.20 | — | — | " |
| PHIL P | F.27.50 | — | — | 10 | 3.90 | — | — | " |
| PEUG C | F.160 | — | — | 8 | 24 | — | — | F.161.50 |
| RD C | F.80 | — | — | 5 | 19.60 | — | — | F.98.20 |
| RD C | F.90 | 59 | 9.50 | — | — | — | — | " |
| RD C | F.100 | 209 | 3.10 | 60 | 5.80 | 36 | 7 | " |
| RD C | F.110 | 8 | 0.90 | — | — | — | — | " |
| RD P | F.80 | 29 | 1 | — | — | — | — | " |
| RD P | F.90 | 85 | 3.60 | 36 | 5.60 | — | — | " |
| RD P | F.100 | 70 | 8.10 | — | — | — | — | " |
| RD P | *F.110* | *10* | *18* | — | — | — | — | " |
| UNIL C | F.150 | 19 | 9.50 | 6 | 10.80 | — | — | F.155.70 |
| UNIL C | F.160 | 37 | 3.90 | 31 | 5.50 | — | — | " |
| UNIL P | F.150 | 24 | 2.80 | — | — | — | — | " |

TOTAL VOLUME IN CONTRACTS 2386

A=Asked B=Bid C=Call P=Put

### M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

| 1980-81 High | Low | Company | Price | Change | Gross div.(p) | Yield % | P/E Actual | P/E Fully taxed |
|---|---|---|---|---|---|---|---|---|
| 112 | 100 | ABI Hldgs. 10pc CULS | 112 | — | 10.0 | 8.9 | — | — |
| 76 | 39 | Airsprung ............ | 69 | — | 4.7 | 6.8 | 11.0 | 15.2 |
| 52 | 21 | Armitage and Rhodes.... | 43xd | — | 4.3 | 10.0 | 3.6 | 8.1 |
| 200 | 92½ | Bardon Hill ............ | 198 | — | 9.7 | 4.9 | 9.6 | 11.7 |
| 104 | 88 | Deborah Services ...... | 103 | — | 5.5 | 5.3 | 5.1 | 9.7 |
| 126 | 88 | Frank Horsell ............ | 104 | — | 6.4 | 6.2 | 9.4 | 22.6 |
| 110 | 39 | Frederick Parker ......... | 63 | — | 1.7 | 2.7 | 27.4 | — |
| 110 | 64 | George Blair ............ | 64 | — | 3.1 | 4.8 | — | — |
| 99 | 83 | IPC ..................... | 99 | — | 7.3 | 7.4 | 7.1 | 10.8 |
| 113 | 58 | Jackson Group ......... | 108 | — | 7.8 | 6.5 | 3.4 | 7.7 |
| 130 | 103 | James Burrough ......... | 127 | — | 8.7 | 6.9 | 9.3 | 11.7 |
| 334 | 244 | Robert Jenkins ......... | 310 | — | 31.3 | 10.1 | 4.3 | 11.0 |
| 59 | 50 | Scruttons "A" ........ | 59 | — | 5.3 | 9.0 | 9.1 | 8.4 |
| 224 | 190 | Torday ................. | 190 | — | 15.1 | 7.9 | 7.3 | 12.6 |
| 23 | 8 | Twinlock Ord. .......... | 13 | — | — | — | — | — |
| 90 | 68 | Twinlock 15pc ULS...... | 76 | — | 15.0 | 19.7 | — | — |
| 56 | 35 | Unilock Holdings ...... | 37 | — | 3.0 | 8.1 | 6.6 | 11.2 |
| 103 | 81 | Walter Alexander ...... | 94 | — | 6.4 | 6.8 | 6.2 | 10.9 |
| 263 | 181 | W. S. Yeates ........... | 236 | — | 13.1 | 5.6 | 4.5 | 9.1 |

**THE TRING HALL USM INDEX**
**127.8 (+0.3)**
at close of business 17/8/81
BASE DATE 15/11/80 100
Tel: 01-248 5675

**CORAL INDEX**
Close 569-574 (−1)

**OIL INDEX**
October Refined $42.40
January Refined $44.60

# Substantial acquisition plans at C H Industrials

THE financial position at C. H. Industrials remains strong and the company has substantial plans for future acquisitions, especially within selected areas of distribution and marketing, says Mr Tim Hearley, the chairman, in his annual statement.

Pre-tax profits for the year to April 4 1981 fell to £0.7m (£1.18m) on turnover down from £17.7m to £14.78m—as already known. The company makes automotive trim, building products, decorative trim and synthetic foam.

The actions taken last year to slim the company's manufacturing operations have been completed, but against the current low level of business activity its manufacturing profitability remains unsatisfactory.

However, the distribution and marketing operations continue to show encouraging growth. The property development programme is continuing on schedule, although Mr Hearley adds that the timing of disposals in the current market conditions cannot be forecast with any certainty.

In response to the changed business outlook, during the year has been substantially broadened, at the same time the business base of the group releasing cash and management resources.

At the year end, group fixed assets were lower at £4.98m (£6.3m), but net current assets had increased from £1.22m to £2.07m. Shareholders' funds rose slightly to £6.02m (£5.95m) and there was a £294,000 decrease (£235,000 increase) in working capital.

Meeting, The Carlton Tower Hotel, SW, September 10, noon.

## BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

TODAY

Interims:—Berlon Group, De Beers Consolidated Mines, De Beers Industrial, Dufay Bitumastic, First Scottish American Trust, International Investment Trust, Olives Paper Mill, Unilever.

Finals:—Abercom, Apex Properties, Calcutta Electric Supply (India), Capital and National Trust, Gold Fields of South Africa, Meat Trade Suppliers, Wholesale Fittings, A. J. Worthington.

FUTURE DATES

Interims:—

| | |
|---|---|
| BBA | Aug 27 |
| Charterhouse Group | Sept 3 |
| Claverhouse Investment Trust | Sept 7 |
| Fairclough, Construction | Aug 25 |
| Guardian Royal Exch. Assurance | Sept 2 |
| Hongkong and Shanghai Bkng. | Aug 25 |
| Lec Refrigeration | Aug 27 |
| Scottish Eastern Invest. Trust | Sept 7 |
| Squirrel Horn | Aug 19 |

Finals:—

| | |
|---|---|
| AGB Research | Aug 19 |
| Restmor | Aug 25 |
| Victor Products (Wallsend) | Aug 26 |

# Blackwood Hodge (Can) loss

PRE-TAX losses of C$1.89m were incurred by Blackwood Hodge (Canada), 74 per cent-owned subsidiary of Blackwood Hodge, of the UK, for the first half of 1981, against a $644,000 profit. Turnover was down also at $66.88m, compared with $69.07m.

There was a tax credit of $1.14m, against a $177,000 charge, and loss per share is given as 31 cents (19 cents earnings).

# Stock Conversion revaluation

A REVALUATION surplus of some £23m arising on certain properties, lifted the total net book value of long-term investment properties held by Stock Conversion and Investment Trust to over £117m as at March 31 last. Also acquisitions over the past financial year have expanded the company's portfolio of property for dealing by more than £5m; dealing profits jumped from £53,000 to £741,000.

This is reported by the directors in the accounts for the 12 months to the end of March in which they say they are confident of another successful year. The search for more commercial properties, which the company might develop or modernise with a partner or alone, continues and shareholders are urged to notify the management of any likely propositions.

As known the company's taxable profit for 1980/81 pushed ahead from £8.26m to £10.99m helped in particular by a more than £400,000 increase in its share of the net revenue of Euston Centre Properties.

Total revenue was up at £13.96m (£11.69m) with net revenue from properties at £10.77m (£9.44m), interest and dividends £2.23m (£2.03m) and other income bringing in £212,000 (£163,000).

The net dividend is effectively raised to 4p (3.2083p).

The March 31 balance sheet shows total investments up at £145m (£123m) including the revaluation surplus. Cash amounted to £9.08m (£10.73m) and bank loan and overdrafts stood at £4.51m (£977,000). A further £4.63m (£5.25m) was in the form of loans from associated companies. Shareholders funds amounted to £127m (£95m).

Meeting Café Royal, W, on September 7 at noon.

# Coca-Cola Bottling of New York Finance N.V.

Curacao, Netherlands Antilles

## Notice to Holders of the 6¾% Convertible Subordinated Debentures Due August 15, 1993

*To the Debentureholders:*

Please be advised that pursuant to the Agreement of Merger dated as of January 7, 1981, as amended as of April 6, 1981 and July 29, 1981, among The Coca-Cola Bottling Company of New York, Inc. ("Coke NY"), The Coca-Cola Company, New Coca-Cola Bottling of New York, Inc. ("Newco") and Koco Holding, Inc. (a wholly-owned subsidiary of Newco) ("Holding"), upon the consummation of the merger of Holding into Coke NY (the "Merger") which is expected to become effective on August 27, 1981 (the "Effective Date") (assuming that such merger is approved by Coke NY's stockholders at the Annual Meeting of Stockholders to be held on August 27, 1981), each share of Coke NY Common Stock outstanding as of the Effective Date (except shares owned of record by The Coca-Cola Company, Newco or their respective subsidiaries) will cease to be outstanding and become converted into the right to receive $10.375 net in cash, and each share of Coke NY Common Stock outstanding as of the Effective Date then owned of record by The Coca-Cola Company, Newco or their respective subsidiaries and treasury stock held by Coke NY will cease to exist and no cash or other property will be issuable in respect thereof. The Merger will not affect the right of Debentureholders to convert any Debenture into Coke NY Common Stock after the Effective Date and prior to the effectiveness of the Second Merger referred to below.

Assuming that the Merger is consummated, it is expected that on September 10, 1981 Coke NY will merge with and into Newco (the "Second Merger") and the separate existence of Coke NY will cease. As a result of the Second Merger, each share of Coke NY Common Stock outstanding at the time of the Second Merger and not then owned by Newco, if any, will, upon the effectiveness of the Second Merger, be converted into the right to receive in cash, without interest, $10.375 from Newco, and, upon the effectiveness of the Second Merger, Finance will become a wholly-owned subsidiary of Newco. Pursuant to the First Supplemental Indenture dated as of August 13, 1981 among Coca-Cola Bottling of New York Finance N.V. ("Finance"), Coke NY, Newco and Morgan Guaranty Trust Company of New York, as Trustee (the "First Supplemental Indenture"), which has been executed pursuant to Article Seven and Section 1205 of the Indenture dated as of August 15, 1978 among Finance, Coke NY and the Trustee (the "Indenture") and which will become effective when the Second Merger becomes effective (i) each Debenture converted at any time after the Second Merger and prior to the close of business on August 15, 1993, or in case such Debenture shall have been called for redemption prior to August 15, 1993, then in respect of such Debenture until and including, but (unless Finance shall default in payment due upon the redemption thereof) not after, the close of business on the fifth day (or if such day shall not be a Business Day, the next succeeding Business Day) prior to the Redemption Date, will be convertible into the right to receive from Newco $1,152.78 in cash per Debenture or in the event the Settlement referred to below is approved $1,155.54 in cash per Debenture, without any interest accumulated thereon after the effectiveness of the Second Merger; and (ii) Newco will assume the due and punctual performance of the guarantee of the Debentures which was entered into by Coke NY pursuant to the Indenture.

Civil actions have been filed by stockholders of Coke NY in the Court of Chancery of the State of Delaware challenging the Merger, naming Coke NY, The Coca-Cola Company and the directors of Coke NY and certain members of Coke NY's management as defendants and seeking an order preventing the Merger and certain other relief, including money damages and attorney's fees. Coke NY and the other defendants have denied liability and the allegations of wrongful action in these actions, and plaintiffs and their attorneys believe that it is highly unlikely that the plaintiffs can prevail in the actions. Accordingly, the parties to the actions have entered into a Stipulation and Agreement of Settlement dated July 24, 1981, which provides, among other things, for the dismissal of the actions as to all defendants with prejudice as against the plaintiffs and all members of the Class of Coke NY stockholders represented by plaintiffs for purposes of the settlement, in consideration of Newco's agreeing to pay $.025 with respect to each share of Coke NY Common Stock held by a member of the Class on July 27, 1981. In addition, Newco has agreed in the First Supplemental Indenture, in the event such settlement is approved by the Court of Chancery (the hearing on said approval to be held on September 9, 1981), to pay to each Debentureholder who converts any Debenture (i) into Coke NY Common Stock after July 27, 1981 and prior to the effectiveness of the Second Merger, an additional amount equal to $.025 per share of Coke NY Common Stock, or (ii) into the right to receive $1,152.78 in cash after the effectiveness of the Second Merger, an additional amount equal to $2.76 per Debenture.

Holders of the Debentures may wish to consider the following information concerning the Debentures, which reflects information set forth in Coke NY's Proxy Statement for the Annual Meeting of Stockholders to be held on August 27, 1981:

*Conversion of the Debentures.* In connection with the Merger and the Second Merger, Debentureholders have the right to:

(1) convert their Debentures prior to the Merger and receive 111.11 shares of Coke NY Common Stock for each Debenture, and upon consummation of the Merger, to receive $10.375 per share of Coke NY Common Stock ($1,152.78 per Debenture) received upon conversion of any Debenture prior to the Merger, plus, in the event the proposed settlement referred to above is approved by the Court of Chancery of the State of Delaware, $.025 for each share of Coke NY Common Stock; or

(2) convert their Debentures at any time after the Merger and prior to the Second Merger and receive 111.11 shares of Coke NY Common Stock for each Debenture, and, as a result of the Second Merger, to receive $10.375 for each share of Coke NY Common Stock received upon conversion of any Debenture after the Merger, plus, in the event the proposed settlement referred to above is judicially approved, $.025 for each such share of Coke NY Common Stock; or

(3) convert their Debentures at any time after the Second Merger and receive $10.375 per share (plus $.025 per share in the event the proposed settlement referred to above is judicially approved) for each of the 111.11 shares of Coke NY Common Stock that otherwise would have been issued prior to the Second Merger on conversion of each Debenture (which would entitle a Debentureholder to receive $1,152.78 per Debenture, or $1,155.54 in the event of the approval of such settlement); or

(4) hold their Debentures (which pay interest of 6¾% per annum on each Debenture) until maturity or until they are earlier redeemed pursuant to the Indenture.

Debentureholders who convert prior to an interest payment date (August 15) are not entitled to payment of any interest accrued on the Debentures since the previous payment date (August 15). Finance has the right beginning August 15, 1983 to redeem the Debentures at its option in whole or in part for the redemption prices set forth in the Debentures.

*How to Convert Debentures.* Holders of Debentures who wish to convert such Debentures at any time prior to the Second Merger into Coke NY Common Stock at the rate of 111.11 shares per Debenture may do so by tendering such Debentures either by hand delivery or by mail, to the Corporate Trust Office of the Trustee in the Borough of Manhattan, The City of New York, the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt/Main, London, Paris and Zurich, Banque Bruxelles Lambert S.A. in Brussels, Banque de l'Indochine et de Suez in Paris, J. Henry Schroder Wagg & Co. Limited in London, Swiss Bank Corporation in Zurich, Westdeutsche Landesbank Girozentrale in Dusseldorf, Banque Internationale a Luxembourg in Luxembourg and Morgan Labouchere N.V. in Amsterdam, and by completing the conversion notice on the reverse of the Debentures. Holders who desire to convert such Debentures at any time after the Second Merger into cash at the rate of $1,152.78 per Debenture and to receive the supplemental payment of $2.76 per Debenture if the settlement is judicially approved may also tender their Debentures in the same fashion, provided such Debentures are accompanied by a written notice requesting such conversion and stating the name (with address) in which the cash shall be issued.

Interest will continue to be paid on all outstanding Debentures in accordance with their terms.

If you have any questions concerning this Notice, you may contact William C. Gouldsbury, Secretary of Coke NY and Finance, at (201) 487-8650 (Hackensack, New Jersey, USA).

COCA-COLA BOTTLING
OF NEW YORK FINANCE N.V.

August 17, 1981

# Increase by McKay Securities

TAXABLE PROFITS of property investment and development group, McKay Securities, increased to £1.31m for the year to March 31 1981, against £0.96m previously, following the first-half rise from £460,000 to £535,000.

Gross rents receivable improved from £2.2m to £2.57m for the year. Tax charge was £693,170 (£422,125) and stated earnings per 20p share edged ahead by 0.1p to 3.9p. The final dividend is 1.35p (same) for a total payment, on increased capital, of 2.7p (adjusted 2.3625p).

After a sharp reduction from £330,408 to £58,831 in extraordinary credits, the attributable surplus was lower at £677,599, compared with £867,225.

An independent professional valuation of the group's UK properties was carried out as at March 31 1981 and produced a surplus of £11.75m, which has been credited to capital reserves.

# Midway rise for Global Resources

Second quarter income of Brighton-based oil and gas company, Global Natural Resources, increased from U.S.$2.64m to $3.19m and pushed the first half 1981 figure to $7.68m pre-tax, compared with $5.26m.

Turnover expanded from $10.82m to $15.65m and the taxable figure was struck after exploration expenses of $4.96m against $1.1m.

Tax charged was split as to: U.S. $100,000 ($636,000) and Indonesia $3.21m ($1.98m) leaving net income at $4.37m ($2.65m) or 21 cents (13 cents) per share.

Recent joint venture exploration agreements with several independent explorationists are expected to significantly increase expenditures, and dry-hole expenses, during the second half, the directors state.

# Excellent prospects at Siebe Gorman

Prospects for profit and growth under the more favourable conditions anticipated, are excellent, says Mr W. M. Pybus, the chairman of Siebe Gorman Holdings. "We are well placed, without question, to take full advantage of future opportunities," he tells members in his annual statement.

Pre-tax profits for the year to April 4 1981 amounted to £3.51m (£4.68m) on turnover down from £50.52m to £43.6m—as reported July 21. The group designs and makes advanced technology rescue, fire-fighting and underwater products, safety equipment, and leisure and protective wear.

At the year-end, assets employed totalled £24.13m (£22.54m) while shareholders' funds rose from £18.46m to £19m. Loans increased from £2.57m to £4.54m, while bank overdraft was lower at £1.92m (£3.57m).

Meeting, Winchester House, EC, September 17, 12.30 pm.

## EDINBURGH GENERAL

The rights issue by Edinburgh General Insurance Services of 2.81m shares has been taken up as at 87.7 per cent. The balance has been sold and the net proceeds will be distributed to entitled shareholders.

# RIT steps up overseas holdings

RIT has significantly increased its overseas investments during the last few months, particularly in the U.S., Mr Jacob Rothschild, chairman, tells shareholders in the annual report.

Following a substantial addition to the company's holding in J Rothschild International Investments S.A., the foreign content of total assets at the end of July exceeded 41 per cent and of the investment portfolio 53 per cent. These figures compare with overseas proportions of 17 per cent and 30 per cent respectively in March 1980.

RIT said yesterday that besides the U.S., new investments had been made in the Far East and some in Singapore and Malaysia. "We intend to develop our overseas investments and activities further during the course of the current year with particular emphasis on the U.S.," says Mr Rothschild.

One fifth of group assets is [illegible] invested in major shareholdings such as Godfrey Davis, Royal Worcester, The Lep Group and Esperanza. Over the last few years, says Mr. [illegible] it has been RIT's policy to take major investment positions in selected companies.

Referring to the large holding of convertible preference shares of the Weir Group, the Scottish engineering company, he says that "we are hopeful about the recovery prospects for this company."

The proceeds of last year's £12m ten-year Eurobond issue, meanwhile are being used to finance the group's medium-term needs and those of its subsidiaries, including Anglo Leasing. "This is in line with strengthening our subsidiaries, which now comprise one quarter of our assets."

Commenting on the substantial income received from RIT's interest in Wedd Durlacher Mordaunt and Co., believed to be around the £1m-£1.5m mark in the year ended March 31, the chairman points out that RIT will cease to be a limited partner in Wedds "within the next two or three years."

"We are, however, hopeful that the income we will derive from our growing interests in financial services will, over a period of time, make up for the loss of income from that source," adds the chairman.

The capital of Target Life, the life insurance subsidiary, was increased by £2m while Target Trust Managers is "placing greater emphasis on new, specialised unit trusts."

In support of the relaunch of Target Life's products in February 1981, the company increased the number of broker consultants from eight to 22 and the number of direct sales associates from 155 to 577.

A breakdown of group net assets shows that "significant" holdings amount to 21.2 per cent of the total, large holdings 7.9 per cent, general portfolio investment 10.8 per cent and equipment leasing 19.7 per cent.

Total portfolio investments amount to 49 per cent of total net assets (against 53 per cent in 1980).

As reported last month, group profit attributed to ordinary holders for 1980-81 was up from £4.62m to £5.83m—reduced to £4.49m on a CCA basis. The dividend is 13.5p (11.5p).

Meeting, Winchester House, EC, September 14 at 11.30 am.

# Half year results from Royal Insurance

## Estimated Half-Year Results and Interim Dividend

General insurance premium income rose by 12 per cent and there was an increase in total estimated profits before taxation from £62.4m to £68m.

| | 6 months to 30 June 1981 £m | 6 months to 30 June 1980 £m | Year 1980 £m |
|---|---|---|---|
| General Insurance: | | | |
| Premiums written | 724.8 | 647.6 | 1,241.7 |
| Underwriting Result | −30.6 | −15.6 | −40.3 |
| Investment Income | 89.0 | 70.8 | 146.3 |
| Trading Result | 58.4 | 55.2 | 106.0 |
| Long-term insurance profits | 5.7 | 4.4 | 10.0 |
| Share of Associated Companies' profits | 3.9 | 2.8 | 6.2 |
| Profit before taxation | 68.0 | 62.4 | 122.2 |
| Less: Taxation | 27.4 | 26.1 | 50.4 |
| Minority Interests | 0.4 | 0.5 | 0.9 |
| Net Profit attributable to the Shareholders | 40.2 | 35.8 | 70.9 |
| (pence per share) see note 1 | (21.8p) | (23.4p) | (46.2p) |
| Dividend | 18.4 | 13.9 | 41.7 |
| (pence per share) see note 2 | (9.75p) | (9.25p) | (24.0p) |
| Profit retained | 21.8 | 21.9 | 29.2 |

Note 1
Earnings per share have been adjusted for the bonus element in the rights issue in accordance with standard accounting practice.

Note 2
The final dividend in respect of 1980 was paid on the capital as increased by the rights issue.

Note 3
Foreign currencies have been translated according to our normal practice at approximately the average rates of exchange ruling during the period. The principal rates were:

| | 6 months to 30 June 1981 | 6 months to 30 June 1980 | Year 1980 |
|---|---|---|---|
| USA | $2.19 | $2.27 | $2.33 |
| Canada | $2.62 | $2.65 | $2.72 |
| Netherlands | Fls5.26 | Fls4.48 | Fls4.63 |
| Australia | $1.89 | $2.04 | $2.04 |

In comparison with the same period in 1980 the effect of changes in exchange rates was marginal. (Investment income benefited by £0.2m; the underwriting result was adversely affected by £1.5m.)

## Investment Income

After allowing for the effect of changes in rates of exchange and an amount of some £6.6m arising from the investment of the rights issue proceeds, the underlying growth in investment income was 16 per cent.

## General Insurance Results

| | 6 months to 30 June 1981 | | 6 months to 30 June 1980 | | Year 1980 | |
|---|---|---|---|---|---|---|
| | Premium Income £m | Underwriting Result £m | Premium Income £m | Underwriting Result £m | Premium Income £m | Underwriting Result £m |
| USA | 251.8 | −12.5 | 217.6 | −12.8 | 406.4 | −16.0 |
| UK & Irish Republic | 232.0 | 10.5 | 200.5 | 7.1 | 393.3 | 10.4 |
| Canada | 98.3 | −19.3 | 90.2 | − 5.7 | 173.1 | −24.1 |
| Netherlands | 46.5 | 1.8 | 53.9 | 1.3 | 96.0 | 4.5 |
| Australia | 29.2 | − 7.4 | 23.4 | − 3.3 | 51.5 | − 8.5 |
| Other Overseas | 67.0 | − 3.7 | 62.0 | − 2.2 | 121.4 | − 6.6 |
| | 724.8 | −30.6 | 647.6 | −15.6 | 1,241.7 | −40.3 |

In the United States, premium income grew by 11½ per cent. The operating ratio improved to 102.5 per cent (104.0); the claims ratio was 72 per cent (72.5) and the expense ratio was 30.5 per cent (31.5). There was some improvement in the personal lines result and in all commercial lines other than property.

Growth in premium income in the UK was some 16 per cent, the major part occurring in personal lines. Helped by generally favourable weather, an increased underwriting profit was achieved. The continuing emergence of industrial disease claims on business written in prior years adversely affected the underwriting result of the liability account.

There was a satisfactory underwriting experience in the Netherlands but because of the severely competitive market conditions premium growth in local currency terms was minimal.

In both Canada and Australia market conditions remained very difficult with results worsening in most major lines. In Canada the premium growth of 7½ per cent was more than accounted for by the effect of rate rises; since the half year motor and household premiums are being increased for the second time this year. Rating action on personal lines business in Australia, begun in 1980, has continued and there have been some rate increases for workers' compensation business.

Underwriting experience was mixed in Other Overseas with some improvement in local operations, but with a worsening of the result on overseas business written in the United Kingdom.

## Long-Term Insurance Business

The profit of £5.7m from our increasingly important life operation represents approximately half of the estimated contribution from long-term insurance profits coming through for the full year.

## Interim Dividend

The directors have declared an interim dividend of 9.75p per 25p share on the capital as increased by the rights issue. (1980 interim dividend of 9.25p per share on the then issued capital). The dividend will be payable on 5th January 1982 to shareholders registered at the close of business on 3rd December 1981.

Royal Insurance

Group Head Office, 1 Cornhill, London EC3V 3QR.

# Gallaher raises holding in Ofrex to over 15.5%

**Gallaher**, the U.S. controlled tobacco group, which is battling with Dennison Manufacturing of *Delaware over the purchase of* Ofrex, has acquired further shares in the London based office supplies and industrial products group.

Gallaher the American Brands subsidiary whose products include Benson and Hedges, Silk Cut and Old Holborn, now has over 15.5 per cent of the capital of Ofrex, through purchases in the stock market.

Gallaher last Friday lifted its offer for Ofrex from 175p to 180p per share, valuing the company at £35.7m. At the same time it bought a total of 296,568 (1.5 per cent) shares. This offer compares with the latest rival offer from Dennison of 170p per share, which has been recommended by the Ofrex board. This is the third offer by Dennison which has *received the blessing of the* Ofrex board.

Ofrex is backing the lower offer from Dennison because of fears of action, under U.S. anti-trust *legislation, on the Gallaher* bid. Gallaher's parent has a subsidiary Swingline which controls about 65 per cent of the American stapler market, while *Ofrex's subsidiary Rexel has* about 4 per cent of the U.S. market.

Gallaher has taken expert advice from lawyers in the U.S. and is advised that the likelihood of its offer being impeded by the authorities is "extremely remote."

Meanwhile Ofrex is considering the latest move from Gallaher which represents the seventh offer Ofrex has received since the bidding was started by Dennison with 130p per share over three weeks ago.

When Dennison launched its original bid it purchased a stake in the group of 24.3 per cent *(now up to 27.3 per cent) through* the Stock Market. These shares included discretionery trusts, managed by S. G. Warburg, Ofrex's adviser. The shares purchased, together with those committed to Dennison gives it a total of 43.3 per cent.

Institutions are understood to hold the bulk of the outstanding Ofrex shares. Dennison has indicated that the institutions may be prepared to support its bid.

The Ofrex share price was unchanged at 180p on the London Stock Exchange yesterday.

## I. & J. Hyman buys more of Somercel

**I. and J. Hyman** has acquired for £360,000 cash British Vita's 44 per cent shareholding in **Somercel** and now owns 95 per cent of the capital.

Somercel is the holding company of the Hairlock Group which produces and converts foam, packaging and furnishing materials.

### CAR CARE PLAN ACQUISITION

**Car Care Plan (Holdings)** parent of the Car Care Plan Group, has acquired a 77½ per cent holding in **Kirklees Printing**, of Brighouse, Leeds.

This represents a further step towards diversification by the group, which already has its own finance company and three operating companies covering every sector of the mechanical breakdown insurance market.

Mr Alan Longmate, chairman, forecasts continued growth for *the group, even in the present* recession.

### HUNTING PETROL.

Through its UK subsidiary Hunting Oil and Gas, **Hunting Petroleum Services** has acquired the capital of Filtrate Holdings, *which carries on the business of* blending and merchanting lubricating oils and greases.

Consideration was £490,000 of which £430,000 was paid in cash on completion. The balance is payable in cash at a date anticipated to be not earlier than December 31.

In the year to March 31 1981 *Filtrate incurred a pre-tax loss of* £102,000.

Results for 1980-81 were adversely affected by the commissioning of a new blending *plant and the relocation of those* facilities last autumn.

# Guthrie's £38m for Page Airways

BY RAY MAUGHAN

**PLANTATIONS GROUP, Guthrie Corporation**, is to make a $68m (£38m) offer for **Page Airways** Inc of Rochester, New York. Page directors and their families have agreed to sell their holdings comprising 82.6 per cent of the company to Guthrie at a price of $57.65 per share and, given consent from the regulatory authorities, Guthrie will offer to buy the outstanding shares at the same price.

The tender offer which Guthrie Corporation must file with the Securities Exchange Commission by Thursday this week is the *direct result of the £24.8m deal* Guthrie struck early in June for the sale of its 73 per cent stake in the principal Singapore subsidiary, Guthrie Berhad.

Guthrie will have to put in about $20m to make up the difference between the Singapore sale proceeds and the consideration agreed for Page Airways, but in return it is substituting Berhad's 1980 pre-tax profits of £2.6m for Page's taxable earnings of $10.16m last year, or £5.64m at current exchange rates.

*Page has been lifting its pro*fits consistently for a decade but has, as Gutherie concedes, run into "a number of problems in the courts from time to time." It has been investigated by the SEC for failing to record certain transactions, and last year paid $10m after an anti-trust action brought by Grumman Corporation.

Mr Ian Coates, chief executive of Gutherie, believes that Page is still reacting to this litigation. The loss of management time, he says, has been immense but "my lawyers have been through Page with a fine toothcomb."

Guthrie's first reaction to an approach from Page executive management, Mr Coates remembers, was "you've got to be joking. Page is an airline." Closer inspection, however, revealed that Page was a vastly different animal from a commercial airline, and above all, it met the criteria Guthrie lays down for *the expansion of its operations in* the U.S.

Founded in 1938 by Mr James P. Wilmot, who died last year, the company is said to be the *largest concessionaire for Beech* Aircraft, a relationship which was first fostered in 1945.

Recent growth in private aircraft sales has been accelerated by airline de-regulation, and by reduced service levels of commercial air carriers which have caused many corporations to turn to private aircraft.

Guthrie is a case in point, finding that reduced services had hampered communications between its own operations in Kentucky, North Carolina and Youngstown, Ohio. Like many other companies it, too, acquired its own Beech aircraft and the link was thus formed with Mr Raymond Moffett, Page's chief executive officer.

Mr Moffett made the first *approach and Guthrie quickly* found that Page was essentially a trader—sales and service of private aircraft, in this case, as opposed to Guthrie's palm oil *and rubber* — and it had developed a range of specialised engineering activities.

Guthrie's North American operations are centred on Ajax Magnethermatic, manufacturing induction heating and melting equipment, Butler, metal and plastics stampings, and Trench Electric, which produces electric transmission equipment.

In each instance, the group has acquired a market leader—claiming a share of around 25 per cent of its sector—a somewhat limited customer profile which is designed to reduce the need for a costly marketing and sales team and sufficient specialisation to deter the giants in related fields from "coming along and blowing us out of the water."

Page also finishes aircraft for final delivery to the customer, putting in control instrumentation, interior fittings, and exterior painting.

New planes are generally delivered as a bare shell and Page now has two outfitting centres—in San Antonio, Texas, and Orlando, Florida, to provide the outfitting required for all types of aircraft.

The engineering division produces and rebuilds the ground support systems required to *service aircraft and has also* developed such advanced equipment as a portable jet engine test stand.

The general aviation division increased turnover from $76.13m to $92.45m and lifted operating profits from $6.24m to $8.3m. The engineering activities work on short-term contracts, and the group warned in its 1980 accounts that its recent significance to Page as a whole was not certain to continue.

The major order for a fixed jet *engine testing stand was com*pleted last December and sales had fallen by almost $2m to $14.9m although its contribution to trading profits was up slightly at $2.84m.

## Approval for R. P. Martin merger

The proposed merger of **R. P. Martin and Co.** with the **Bierbaum** group has been passed on a poll vote at an extraordinary general meeting.

Other resolutions proposed, including those concerned with the enlargements of the company's share option scheme, and with the disenfranchisement of shareholders refusing after reasonable notice to disclose their beneficial interests, were each passed unanimously.

### ROYAL INSURANCE AND SCOTTISH MET.

In the terms of an agreement dated December 15 1970, **Scottish Metropolitan Property** has received £176,250 in payment in full of the subscription price for 288,199 ordinary shares which have been issued to **Royal Insurance**. Royal now holds 14,325,341 ordinary shares (21.59 per cent).

### THOS. TILLING

**Thomas Tilling** has completed the acquisition of the facile division of Sun Chemical Corporation. The acquisition is being financed by the placing of 6,444,565 Tilling ordinary shares at 177p...

### WELWYN ELECTRIC

**Welwyn Electric**, the electronic components' manufacturing subsidiary of **Royal Worcester**, has acquired the metal film resistor manufacturing facility of Dubilier Components, Liverpool.

Manufacture of the metal film resistors at the Dubilier plant has ceased, and the plant and equipment has been moved to the Welwyn Film Resistor factory at Bedlington.

# Winterthur proposes 320p offer for rest of Provident Life

**Winterthur Swiss Insurance Company**, based in Winterthur, Switzerland, intended to make a bid for **Provident Life Association of London.**

Winterthur, which already owns 25.46 per cent of Provident's equity, proposes to offer 320p for the remainder of the 4,755,000 shares, at a cost of £11.34m valuing Provident at £15.2m. It is also offering 250p for the 20,000 preference shares of £5 each.

The Provident board was informed of the proposed offer after hours last Friday and is meeting today to consider the announcement. It does not intend to make any comment until after the meeting.

The largest shareholdings of Provident are held by former Tory minister John Profumo and various members of the Profumo family, amounting to around 40 per cent of the total. In addition, the staff pension scheme holds 7.42 per cent.

Winterthur is the 12th largest *insurance group in Europe*, and is the largest non-life and the second largest life group in Switzerland. Gross premium income in 1980 was SwFr 3.74bn *(£950m) with after-tax profits* amounting to SwFr 68.5m.

Its non-life business accounts for around two-thirds of the total premiums. The company has been expanding operations worldwide steadily over the past 10 years. Assets now amount to SwFr 4.9bn.

Provident at the end of 1980 *had a life fund of £104m, with a* premium income of £16m. Its general insurance business transacted by wholly-owned subsidiaries, United Standard Insurance and Vigilant Assurance, had a premium income of £4.4m in 1980 and underwriting losses of £500,000.

Total assets of the company amounted to £113.6m. Its life business is heavily towards mortgage-related contracts, while general insurance business is mainly in motor and householder lines, with some commercial business. The company is running down all overseas operations.

Samuel Montagu and Company, the financial advisers to Winterthur, hope to send out the offer documents sometime next week.

## SHARE STAKES

*Shaw Carpets*—Mr J. W. H. Hartley, director, disposed of 400,000 shares, and now holds 1,556,000 shares (excluding remote interests) 8.7 per cent.

**Reliant Motor**—TM Trading has purchased a further 55,000 ordinary shares taking its total holding to 705,000 (12.73 per cent).

**Sumrie Clothes**—Harvey M. Ross has increased its holding to 607,500 shares (24.3 per cent).

**Chubb and Son**—The Kuwait Investment Office now holds 6,626,250 ordinary shares.

**Danae Investment Trust**—Cornhill Insurance have purchased a further 275,000 income shares thereby increasing their holding to 815,000 shares (11.64 per cent) of that class.

**North British Canadian Investment**—Finance for Industry and its subsidiaries acquired 40,050 shares and now hold 1,852,740 *shares (27.4 per cent).*

**Anglo Metropolitan Holdings**—*Britannia Arrow Holdings* have acquired an additional 102,502 shares making their total holding 870,000 shares (14.74 per cent).

***Associated British Engineering***—Company has been advised of the following holding by Grovewood Securities: Shares allotted pursuant to offer in *exchange for Hirst and Mallin*son shares, 1,774,500: shares taken up pursuant to indemnity arrangements on July 17, 1981, 64,588: total 1,839,088 equals 9.43 per cent.

**Greencoat Properties** — Company reports the following acquisitions by directors: E. T. Razzall 75,000, D. J. Houghton 15,000, *G. A. Ball 35,000, J. P. Kester* 40,000 shares.

**Anglo-Argentine Tramways** — Energy, Finance and General trust holds 1,194,791 shares (29.87 *per cent). London Trust holds* 1,194,792 shares (29.87 per cent). With *effect from August 10*, Mr D. R. Barrell resigned as secretary of the company and Energy, Finance and General was appointed secretaries and financial advisers.

**G. M. Firth (Metals)**—Trust Holdings (UK) has sold 25,000 ordinary shares and now holds 135,788 shares (5 per cent).

***London Sumatra Plantations***—As at August 10 Harrisons and Crosfield were interested in 15,503,709 shares (97.3 per cent).

**Magnet and Southerns** — On August 7, Mr P. T. Duxbury, in the capacity of trustee, ceased to have a non-beneficial interest in 190,458 ordinary shares which were transferred to new trustees.

***Ratners (Jewellers)***—*Jack M.* Ratner, director, disposed of 30,000 shares (gift).

**Muirhead**—C Y T Corporation has acquired 75,000 ordinary *shares, bringing total interest to* 2,056,500 (24.24 per cent).

## Scheme to save farm buildings

A SCHEME to save Britain's old farm buildings has announced the winners of its first awards. They aim to encourage farmers to make the *most effective new uses of old* buildings.

The scheme is being run by the Council for the Protection of Rural England, the Country Landowners Association and the Council for the Protection of Rural Wales.

"The nation is losing its stock of old farm buildings at an alarming rate," said Mr Fionn Holford-Walker, CPRE national secretary. "Many of them are not only of architectural and historic value, but could be of value to the landowner."

## Turks bid for seats

**Turkish military officials said yesterday that 11,125 applications had been received by last Saturday's deadline from Turks wanting to serve in the 160-seat consultative assembly which will pave the way for a return to democracy in the country. AP reports from Ankara. The consultative** ***assembly will form the legislative wing of a constituent assembly that will begin work*** **on October 23.**

# McKAY SECURITIES LIMITED

PRELIMINARY ANNOUNCEMENT

**Group Results for the Year Ending 31st March, 1981**

| | 1981 £ | 1980 £ |
|---|---|---|
| Gross Rents and Service charges | 2,565,212 | 2,202,553 |
| Profit before Tax | 1,311,938 | 958,942 |
| Profit after Tax | 618,768 | 536,817 |
| Earnings per share | 3.9p | 3.8p |

Directors recommend a final dividend of 1.35p per *share, making a total for year of 2.7p, an increase* of 21 per cent.

An independent valuation of the Group's properties in the United Kingdom was carried out on 31st March, 1981, which showed a surplus of £11,746,000. This surplus has been credited to Capital Reserves.

**Annual General Meeting to be held at 18 Parkside, Knightsbridge, London, SW1, 7th October, 1981, at 12 noon.**

INTERIM STATEMENT

# Anglo-International Investment Trust p.l.c.

**Revenue after Tax for the six months to 30th June, 1981 amounted to £167,598 against £170,793 last year.**

**Interim Dividend per Dividend Share unchanged at 2p payable on 6th October, 1981 to shareholders on the register on 10th September.**

**Net Assets per Asset Share on 30th June, 1981 328p against 241p last year.**

*All figures are unaudited.*

MINING NEWS

# New Wits and Vogels tread separate paths

BY KENNETH MARSTON, MINING EDITOR

INTERESTING results come from two of the Gold Fields group's smaller South African investment companies, New Witwatersrand Gold Exploration, which is largely concerned with gold, and Vogelstruisbult Metal Holdings which concentrates its energies on the base metal sphere.

New Wits announces a net profit for the year ended June 30 of R9.37m (£5.45m) compared with R6.14m in the previous 12 months. The final dividend is raised to 28 cents (16.3p), making 46 cents for the year against 36 cents for 1979-80.

The latest earnings equal 81 cents per share and reflect the high gold prices received by the operating mines in 1980. This year, of course, a different picture emerges and unless there is a good recovery in the bullion price New Wits' profits will be lower.

However, the possibility of a recovery in bullion prices cannot be ruled out. Meanwhile, the shares at 248p yield 11 per cent on the latest dividend total which is 1.8 times covered by earnings and net assets are equal to 725 cents (421p) per share.

Results reported by Vogels cover the six months to June 30 and, considering the low metal prices obtaining in the period, net profits show up quite well at R1.49m compared with R1.66m in the first half of last year.

The total for 1980 amounted to R3.98m and if the current revival in base metal prices is maintained the company may be able to at least match that total in the current year. At all events, the interim dividend has been maintained at 5 cents out of first half earnings of 9.7 cents.

Currently at a high for the year of 152p the shares yield a modest 6 per cent.

## N. Broken Hill metal output

AUSTRALIA'S North Broken Hill mining and investment house raised its silver output in the year to June 30, but production of lead and zinc was lower.

Silver production rose to 70,890 kg from 77,482 kg in 1979-80. Lead output was 43,270 tonnes down from 49,218 tonnes, and production of high-grade zinc concentrate fell to 32,318 tonnes against 36,371 tonnes.

An agency error led to the incorrect reporting of these figures last week.

## Gold Fields' U.S. Azcon makes $15m purchases

AS PART of its continuing devlopment programme the U.S. Azcon subsidiary of Consolidated Gold Fields has made further investments in the steel and scrap business.

Robinson Steel and McKinley Iron have been acquired by Azcon for a total price of $14.9m (£8.3m). These companies, which have combined sales of some $24m, will operate as units of the Hyman-Michaels division of Amcon.

Robinson is a flat-rolled steel distributor in Chicago, Illinois, with warehouse facilities in East Chicago, Indiana. It has top steel mill contacts and deals in prime-quality products. Its warehouse is located close to several major supplying mills resulting in freight cost advantages. Robinson will be operated as part of the Hyman-Michaels' metals distribution business which, as it is also based in the Chicago area, can provide cost-saving support services.

McKinley is a scrap processor based in St. Louis, Missouri, handling both ferrous and non-ferrous materials. Ferrous scrap is sold to mills in the St. Louis and Kansas City areas. The processed non-ferrous materials, primarily aluminium and zinc, are refined and sold to local foundries, mills and galvanizers. McKinley will be operated as part of Hyman-Michaels' St. Louis area scrap operations.

## EAGLE CORPN RIGHTS ISSUE

Australia's Eagle Corporation, the junior natural resources explorer, announces a renounceable rights issue of 7,393,802 ordinary 10 cents shares at a price of 55 cents (34½p) a share. The shares will be offered on the basis of one new share for every three shares held on September 4.

Last date for acceptances is October 5 and the shares will be payable in full on acceptance; acceptances from member firms of the Australian Associated Stock Exchanges will be received up until October 19.

Eagle says the funds raised by the issue will be used to meet present commitments on oil exploration permits and to expand the company's activities into new exploration areas.

## Earnings fall at the Philippines' mines

TWO leading producers of copper, gold and silver in the Philippines, Lepanto Consolidated and Marcopper Mining, have experienced a reversal in their profits for the first half of this year, reports Leo Gonzaga from Manila. In each case, lower metal prices are blamed.

Net profits for Lepanto for the first half have dropped to Pesos 31.08m (£2.25m) from Pesos 90.99m in the same period of last year. Latest half year earnings of Marcopper have retreated to only Pesos 3.52m from Pesos 83.21m.

Average prices for copper received by Lepanto in the latest period averaged U.S. 76 cents per lb compared with 96 cents a year ago, those of gold fell to $476 from $601 per oz while the silver average was down to $10.76 from $18.40 per oz.

Marcopper's copper price fell to 82 cents from $106, that of gold was $496 against $587 a year ago and the silver average received was $12.03 against $23.55.

The variations in the average metal prices received by the two mines stem from the timing of sales made during a period of fluctuating prices. Both companies produce copper in concentrates with gold and silver as by-products.

## More gas discoveries in the Cooper Basin

THE TIRRAWARRA 14 development well drilled in South Australia's Cooper Basin has flowed natural gas at the rate of 7.4m cubic feet a day from the interval betwen 8,506 to 8,572 feet in the Toolachee formation—a new zone discovery in the Tirrawarra gas field.

The nearest productive Toolachee formation reservoir is at Moorari No 1, located approximately 6 miles north of Tirrawarra 14.

The latter is currently drilling ahead at 8,635 feet. Interests in the new zone discovery are: Santos, 25 per cent, Bridge Oil, 25 per cent, Delhi Petroleum 15 per cent, Basin Oil, 12.5 per cent, Ref Oil, 12.5 per cent, South Australia Oil and Gas, 5 per cent and Vamgas, 5 per cent.

Meanwhile, the Merrimelia No. 6 wildcat well drilled 40 km north of the Moomba Gas Plant has flowed gas at 5.4m cubic feet a day from the interval 6,906 to 6,965 feet.

Merrimelia has a target depth of 7,250 feet and has already flowed oil at a rate of 443 barrels a day from jurassic sandstones.

Interests in Merrimelia are: Alliance Petroleum Australia, 50 per cent, Santos, 25 per cent, Delhi, 15 per cent, Vamgas, 5 per cent and South Australian Oil and Gas, 5 per cent.

### ROUND-UP

Australian Consolidated Minerals reports gold values of up to 5.8 grammes per tonne from the latest drilling at its Big Bell prospect in Western Australia. The assays ranged from 3.3g over a 1.9 metre horizontal width to 5.8g over 28.5m. Further drilling will be carried out to clarify the potential of the old mine between 700m and 1,000m below surface.

* * *

Australia's Nickelore proposes to raise some A$2.5m via a one-for-four rights issue of new 30 cent shares at a price of 60 cents (about 38p). The new funds will be used to finance the company's 30 per cent interest in Australian Consolidate Minerals' Big Bell and Great Fingall gold prospects.

Nickelore shareholders taking up their entitlements to the issue will have the right to apply for a share option at 1 cent for every two new shares taken up. The options will be exercisable at 30 cents per share during the months of December and June each year until December 31, 1982.

## Security Centres optimistic

Mr T. S. Jamieson, chairman of Security Centres Holdings, says in his annual statement that despite the generally difficult economic background, the directors look to the future with considerable optimism.

He says the company will further improve the quality and efficiency of its service and products, and will continue to increase its share of the total security market in the UK through organic growth and acquisitions.

He adds that the company will also begin to explore opportunities overseas and move towards the long-term goal of becoming a truly international security company.

As known in the year to March 31 1981 the company reported pre-tax profits of £366,022 (£201,355).

# Simplicity merger a safeguard to NCC's expansion

THE IMPORTANCE of a successful merger with Simplicity Patterns, the S. sewing group, to the future of NCC Energy is emphasised by Mr Graham Ferguson Lacey, the energy group's chairman and controlling shareholder, in his annual report.

Because of the substantial progress made in transforming NCC into an essentially energy and natural resource company, the return of any form of exchange controls would have "serious implications," he points out. The freedom to invest in any part of the world has only arisen since these controls were removed in 1979.

The directors believe it would be imprudent, if not rash, to plan for the future without accounting for the possibility of new exchange controls. A merger with Simplicity Pattern, in which NCC has a 15.4 per cent interest and 3 Board seats, would free the company from any new controls.

Of equal importance, the merger would provide additional cash resources of some £45m for use in expanding the interest of the combined companies in the energy and natural resource fields. This sum is far in excess of any sum that NCC could raise on its own. In addition, the merger provides access to the sophisticated New York securities market which is best able to evaluate and support NCC's oil, gas and mineral interests in the U.S., Mr Lacey explains.

The proposed merger will take effect by means of a scheme of arrangement subject to the approval of shareholders of both companies. Completion is expected in October this year.

As known before tax NCC was hit by sharply higher interest costs up from £347,000 to £1.46m to give a pre-tax loss of £2.17m (£102,000 profit) on turnover of £27.64m (£36.66m). But an extraordinary gain from selling most of the investment in Weeks Petroleum, amounting to 3.75m shares, enabled the group to turn in a profit at the attributable level of £6.14m (£7.55m).

The trading loss was £716,000 (£334,000 profit). An analysis of turnover and the trading result in £000s shows: oil and gas (six months) £1,218 (nil) and profit £148 (nil); smokeless fuel £20,047 (£20,075) and profit £254 (£813); plastics (four months £6,261 (nil) and loss £186 (nil); mining £115 (£67) and loss £300 (£219); property sales profit nil (£44); and discontinued business nil (£16,522) and nil (£115,000 profit). Group overheads absorbed £602,000 (£304,000).

On a current costs basis there was pre-tax loss of £2.4m.

As at March 31 1981 total borrowings were up from £228,000 to £22.15m including overdrafts of £7.29m (nil) and loans repayable within a year at £6.05m (£59,000).

Cash was down from £1.77m to £1.43m and debtors had jumped to £15.2m (£2.57m). Net current liabilities emerged down at £825,000 (£997,000) and shareholders funds stood at £25.98m (£14.53m) with total capital employed at £34.84m (£15.06m).

The chairman's remuneration for the year amounted to £17,000 (£12,000).

On a geographical basis the continuing businesses turnover and trading results was split in £000s, as to: UK £21,971 (£15,328) and loss £456 (profit £254); U.S. £1,333 (nil) and loss £321 (nil); Scandinavia £2,220 (£3,898) and profit £19 (£125); Rest of Europe £596 (£260) and loss £12 (profit £13); South America £1,238 (£656) and profit £11 (£61 loss) and Africa £283 (nil) and profit £43 (nil).

Mr Lacey says that over two-thirds of the company's assets are now employed directly in energy and natural resources. Over the last two years the board has pursued a dual policy in the natural resource field. First by making strategic investments in quoted oil and gas companies which have rapidly increased the group's capital base; and secondly by acquiring suitable long-term oil, gas and natural resource properties actively involved the company's management.

While additional extraordinary profits have been made since the year-end trading profits in the second half will demonstrate the benefits of the energy acquisitions made during the year he states. Overall he views the year ahead "with enthusiasm and confidence."

The Louden acquisition, completed in November 1980, gave the group a half interest in a fully integrated oil and gas exploration and producing company with over 750 gas wells and reserves of 40,766,000m cu ft producing about 13,000m cu ft per day together with proven and non producing reserves of 99,050,000m cu ft. The acquisition also included 6 producing oil wells.

At year end Louden had 41,425 acres in operation and 47,159 additional acres for future drilling. It owns two drilling rigs and all the necessary ancillary equipment to enable the company to pursue its own drilling programme without sub-contracting.

Since acquisition 36 new wells have been drilled, of which 29 are commercially successful. These new wells are expected to initially produce an additional 3,000m cu ft per day. An additional 23 wells are scheduled to be drilled this year as part of a five-year plan to develop further Louden's 88,000 acres.

Discussions are taking place with the authorities in Pennsylvania to qualify for tight gas formation pricing on a significant portion of production. This would raise the price for the gas affected from Louden's present average of $2.13 per million cu ft to around $5 per million cu ft. If Louden qualifies this would dramatically improve NCC's cash flow and the value of proven reserves and accelerate the drilling programme.

The other half interest in Louden is owned by Damson Oil Corporation, independent oil and gas exploration and production company.

NCC has also invested $2.2m in the Mercury Partnership through the acquisition of two oil rigs an dinterests in 75,000 acres in Texas, Tennessee and Nebraska. The oil rigs have been lease dout for seven years. A further $2.4m has been committed and partly spent on a 32 well drilling programme in Texas, Nebraska and New Mexico promoted by Mercury.

This will be completed by the end of October. Drilling has begun on 17 wells, five of which have proved commercial, five have been abandoned.

In Arizona a commitment has been made for the purchase of some 104,000 acres in the overthrust hingeline area. Additional acquisitions include an undivided interest in 61,000 acres in Lincoln and Guadalupe Counties (Abo Gas Basin) in New Mexico and a 2 per cent interest in the 2½ per cent Wendell Phillips Royalty covering 17m acres of the East China Sea. Excluding the East China Sea and acreage held by associated companies, NCC now has interests in over 425,000 oil and gas acres.

During the year NCC purchased a significant interest in three other publicly quoted energy companies.

A 22.2 per cent interest was taken in Alpine Geophysical Corporation, a company quoted on the over-the-counter market in the engaged in oil and gas exploration and production in Louisiana, Texas, New Mexico, Ohio and Arkansas. In the UK it is engaged in a programme to recover tin from the ocean floor off the coast of Cornwall.

The group acquired 28.6 per cent of Energy Capital by the issue of shares in December 1980. The percentage has been increased by further market purchases and diluted by the issue of further shares to 28.2 per cent. Energy Capital owns oil and gas reserves and acreage in the U.S. and an interest in a uranium mining project in the Bison Basin in Wyoming.

In addition to expanding its energy activities NCC has made acquisitions in the field of strategic metals.

Bernard Wardle, acquired last November, has substantially reduced fixed costs and is in the process of disposing of surplus assets. It is now trading profitably and is poised to take full advantage of any improvement in the economy.

# B'ham Council £75m drop-loan

BY ROSEMARY BURR

Birmingham District Council is raising £75m by way of a novel stock issue linked to the yield for British Government Stocks, which will be offered to the public.

Morgan Grenfell, the merchant banker, has underwritten the £75m drop-loan stock 1986-93, the largest issue of drop-lock stock made by a local authority.

In general, "drop-lock" describes an issue tied to floating rate of interest which can be turned into a fixed rate loan if interest rates fall beneath a certain stated level.

In the past, local authorities have raised floating rate loans from a group of banks which can be converted into fixed rate stock either at the borrower's request, or if interest rates hit a specified floor.

The Birmingham issue has several new features. These include its sale to the public, its quotation on the Stock Exchange gilt-edged market, and an automatic trigger mechanism which is tied to the yield on gilt-edged stocks as indicated by the Bank of England par gross redemption yield.

Morgan Grenfell say the advantage to the individual investor of the drop-lock stock is "capital certainty" plus "a measure of protection" against falling interest rates. In addition, the stock is a highly liquid asset as it can be traded on the Stock Exchange for cash settlement.

As for the borrower, the stock is a method of giving the council, which has some £1bn of debt, access to medium-term funds while avoiding the potential problem of the council being forced to wait its turn in the Government Broker's queue for local authority issues.

The stock is being offered in units of £100 with £40 paid initially and the remainder due by November 20. The interest rate will be ½ per cent above six months London inter-bank rate for sterling deposits.

The stock will be redeemed at par, together with accrued interest, on August 21 1986 unless prior to May 21 of that year the drop lock is triggered by seven year British government stocks yielding 12.75 for three consecutive weeks. In that event, the stock will become fixed at 13½ per cent with a seven year maturity.

Morgan Grenfell say it is discussing similar drop lock stocks with major corporate borrowers, which are unwilling to issue fixed rate stock at the current high level of interest rates.

Application lists for the stock will open at 10 am on August 20 and close that day. Dealings are expected to start on Friday August 21. W. Greenwell and Co are brokers to the issue.

## Grant Bros. aims to revive Croydon store

With its main store at Croydon being the immediate problem for Grant Bros, every effort will be made to revive trading and restore profitability in this valuable and vital area of the company, says Mr Alec Grant, the chairman of this department store operator.

The company's store at Horsham and Swattons of Purley traded profitably however, during the last financial year ended January 31 1981. As already known, group pre-tax losses for that period increased sharply from £59,973 to £344,294, on turnover of £10.5m (£9.78m).

## Braime dives midyear

TRADING profit of T. F. and J. H. Braime (Holdings) dived from £148,255 to £11,141 for the first half of 1981. Sales by this deep drawn presswork manufacturer was also down at £1.24m, against £1.94m.

The decrease was partly offset at the pre-tax level by higher investment income of £43,924, against £18,366, for a total profit of £55,065 (£166,621). However, this represented a recovery from the more than £4,500 loss in the second half of last year.

The net interim is being held at 1.5p. For the whole of 1980 the total was cut from 4.5p to 3.5p following a slide in profits from a near record £0.32m to £0.15m.

## Investment Tst. of Guernsey makes progress

Net profits of the Investment Trust of Guernsey rose £31,000 to £239,000 in the half-year to June 30 1981. Net asset value per 50p share was 299p compared with 250p on December 31 1980.

The directors state that estimates for the second half appear "reasonable" and they have therefore recommended an increased gross interim dividend of 4.5p (4p). They estimate that the final dividend will not be less than the equivalent of 7p announced last year.

A three-for-two scrip issue is proposed.

## EDWARD JONES

The convertible unsecured loan stock issued by Edward Jones Group which was not taken up by shareholders under the rights issue has been sold in the market for the benefit of provisional allotees.

# United Gas ahead of budget

THE CURRENT year has started reasonably well at United Gas Industries and its budget is forecasting a considerable increase on last year's poor results, says Mr Hugh Nicholson, the chairman, who adds that so far the company is slightly in advance of that budget.

For the year ended March 29 1981 taxable profits showed a decline from £2.34m to £1.65m, following a poorer performance from the company's measurement and control equipment side. Sales were almost £2m higher at £51.7m—as reported July 24.

In his annual statement, Mr Nicholson tells members that the number of employees has been cut down without reducing the company's production proportionately and "this greater productivity is really our hope for the future." During the 1980-81 year, its total number of UK employees was reduced from 3,426 to 2,390.

The chairman states: "I am confident in the future of the company and I expect that our results for the current year will be as good as any reasonable person could expect."

On a current cost basis, pre-tax profits are cut to £596,000. However, Mr Nicholson says in his opinion the current cost accounts serve no useful purpose whatsoever, and indeed could well be misleading. At the board's request the auditors have not examined these accounts.

The group's historic cost balance sheet shows ordinary shareholders' funds of £11.89m (£11.99m), fixed assets of £7.91m (£7.89m) and net current assets of £7.44m (£8.86m). Net cash outflow was £319,000 (£2.27m).

Meeting, Connaught Rooms, WC, September 10, noon.

## PALMERSTON TST. JUMPS

After-tax profits of Palmerston Investment Trust surged ahead from £21,050 to £142,245 for the year ended March 31 1981. The final dividend is stepped up to 1.406p (1.135p) net raising the total from 1.729p to 2p per 25p share.

# Chas Baynes has slight downturn

A MODEST fall from £209,466 to £193,918 in pre-tax profits is reported by Charles Baynes, manufacturer of hacksaw blades, for the half-year to June 30 1981. Turnover improved slightly from £1.06m to £1.12m.

After tax down from £108,922 to £100,837, stated earnings per 10p share are 1.32p (1.43p). The interim dividend is 0.25p on the enlarged capital compared with an equivalent 0.2p—last year's total was an adjusted 0.625p net.

## W. Goodkind to expand

W. Goodkind and Sons, fur manufacturer, intends to continue to expand the property portfolio as opportunities occur, by concentrating on high quality investments primarily in major regional centres, Mr F. J. C. Lilley, the new chairman, tells members in his annual review.

He says that the financal services sector is under-represented in the provinces, and it is the company's intention to expand this activity further.

As known, pre-tax profits for the 16 months ended April 30 1981 were £49,476 compared with

# Satisfactory start for Daejan

Trading so far in the current year has been satisfactory at Daejan Holdings, property investment company, and Mr B. S. E. Freshwater, chairman, tells members he is looking forward to results "that will not disappoint you."

Gross rental income was £11.89m for the March 31 1981 year and directors anticipate this figure to show improvement as a result of rent reviews and new leases.

Mr Freshwater explains that the increased income enabled the company to finance—without recourse to borrowings—higher expenditure on property repairs and improvements of over £3m.

He says that during the year and since, Daejan has invested in two further properties in the U.S., costing $5m, and it has realised by way of sale of flats, part of the original American venture, bought in 1979—this yielded a first contribution to group profits of £458,000.

"We are regularly considering further propositions and hope that our increasing investment in America will prove a valuable source of income and capital growth in the future."

As reported on July 16 the company was better than expected at the year end, although taxable profits were just behind at £3.83m against £4.19m. Total revenue was £10.41m (£10.54m) and the dividend is increased to 3.85p (3.5p) per share.

Meeting, Connaught Rooms, WC, on September 9, at noon.

## LONDON TRADED OPTIONS

August 17. Total Contracts 2127. Calls 1862. Puts 276.

| Option | Ex'rcise price | Oct. Closing offer | Oct. Vol. | Jan. Closing offer | Jan. Vol. | April Closing offer | April Vol. | Equity close |
|---|---|---|---|---|---|---|---|---|
| BP (c) | 280 | 57 | 61 | 68 | — | 78 | — | 335p |
| BP (c) | 300 | 58 | 36 | 54 | 1 | 64 | — | " |
| BP (c) | 320 | 24 | 20 | 36 | 23 | — | — | " |
| BP (c) | 330 | — | — | — | — | 46 | 1 | " |
| BP (c) | 350 | 10 | 5 | 19 | 119 | — | — | " |
| BP (c) | 360 | — | — | — | — | 30 | 1 | " |
| BP (c) | 380 | 4 | 2 | 11 | — | — | — | " |
| BP (c) | 410 | 2 | 1 | 5 | — | — | — | " |
| BP (p) | 350 | 20 | — | 28 | 70 | — | — | " |
| BP (p) | 410 | 76 | — | 80 | 1 | — | — | " |
| CU (c) | 140 | 35 | — | 42 | 10 | — | — | 167p |
| CU (c) | 160 | 17 | — | 25 | 7 | 28 | — | " |
| CU (c) | 180 | 10 | 56 | 17 | 2 | 20 | 15 | " |
| Cons. Gld (c) | 460 | 85 | 6 | 105 | — | 115 | — | 535p |
| Cons. Gld (c) | 500 | 55 | 77 | 77 | 42 | 87 | — | " |
| Cons. Gld (c) | 550 | 25 | 34 | 46 | 15 | 60 | 1 | " |
| Court'lds (c) | 60 | 10 | 12 | 15 | — | 16 | — | 66p |
| Court'lds (c) | 70 | 4 | — | 8 | 7 | 9½ | — | " |
| Court'lds (c) | 80 | 1½ | — | 3 | 8 | — | — | " |
| GEC (c) | 650 | 170 | 1 | 195 | — | — | — | 802p |
| GEC (c) | 700 | 122 | 31 | 150 | — | 107 | — | " |
| GEC (c) | 750 | 76 | 10 | 107 | 1 | 152 | — | " |
| GEC (c) | 800 | 37 | 18 | 70 | 1 | 92 | 6 | " |
| Gr'd Met. (c) | 180 | 44 | 1 | 53 | — | — | — | 219p |
| Gr'd Met. (c) | 200 | 27 | 10 | 38 | — | 44 | 3 | " |
| Gr'd Met. (c) | 220 | 12 | 21 | 22 | 40 | 27 | 11 | " |
| Gr'd Met. (p) | 220 | 7 | 33 | 9 | 70 | 11 | 4 | " |
| ICI (c) | 260 | 36 | 32 | 48 | — | 58 | — | 290p |
| ICI (c) | 280 | 17 | 51 | 34 | 3 | 42 | — | " |
| ICI (c) | 300 | 8 | 50 | 20 | 8 | — | — | " |
| ICI (p) | 280 | 8 | 10 | 14 | — | 18 | — | " |
| Land Sec. (c) | 300 | — | — | — | — | 66 | 2 | 340p |
| Land Sec. (c) | 312 | 37 | 1 | 45 | 3 | — | — | " |
| Land Sec. (c) | 336 | 20 | 2 | 30 | — | — | — | " |
| Land Sec. (c) | 368 | 6 | — | 13 | 5 | — | — | " |
| Mks & Sp (c) | 110 | 35 | 38 | — | — | — | — | 139p |
| Mks & Sp (c) | 120 | 26 | — | 30 | 1 | 34 | — | " |
| Mks & Sp (c) | 130 | 16½ | 11 | 21 | — | 26 | — | " |
| Mks & Sp (c) | 140 | 7 | 385 | 12 | 50 | 20 | 5 | " |
| Shell (c) | 360 | 64 | — | 69 | 2 | 82 | — | 416p |
| Shell (c) | 390 | 35 | 4 | 52 | — | 62 | — | " |
| Shell (c) | 420 | 17 | 14 | 32 | 15 | 42 | — | " |
| Shell (p) | 420 | 18 | — | 20 | 1 | 23 | — | " |
| | | August | | November | | February | | |
| Barclays (c) | 390 | 80 | — | 95 | 5 | 107 | — | 470p |
| Barclays (c) | 420 | 50 | 1 | 65 | 4 | 87 | — | " |
| Barclays (c) | 460 | 10 | 43 | 37 | 13 | 57 | 4 | " |
| Imperial (c) | 60 | 4 | — | 6 | 1 | 9 | 7 | 64p |
| Lasmo (c) | 600 | 30 | 2 | 69 | — | 97 | — | 624p |
| Lasmo (c) | 650 | 5 | 9 | 38 | 8 | 60 | — | " |
| Lasmo (c) | 700 | 2 | — | 15 | 6 | — | — | " |
| Lonrho (c) | 90 | 3 | 5 | 6 | 10 | 10 | 11 | 92p |
| Lonrho (c) | 100 | ½ | — | 2½ | 35 | 5 | — | " |
| Lonrho (c) | 110 | ½ | 10 | 1 | 10 | — | — | " |
| P & O (c) | 120 | 1½ | — | 6 | 2 | 10½ | — | " |
| P & O (c) | 130 | ½ | — | 2½ | 5 | 5½ | — | " |
| P & O (c) | 160 | ½ | 1 | ¾ | — | — | — | " |
| Racal (c) | 330 | 150 | — | 163 | 5 | 168 | — | 478p |
| Racal (c) | 360 | 120 | — | 133 | 1 | 143 | — | " |
| Racal (c) | 420 | 60 | 4 | 77 | 10 | 95 | 2 | " |
| Racal (c) | 460 | 22 | 11 | 45 | 37 | 65 | 2 | " |
| Racal (p) | 420 | ½ | — | 8 | 25 | 15 | — | " |
| Racal (p) | 460 | 5 | — | 18 | 61 | 28 | — | " |
| RTZ (c) | 460 | 145 | 3 | 160 | 10 | 197 | 11 | 607p |
| RTZ (c) | 500 | 105 | — | 120 | 5 | 163 | 5 | " |
| RTZ (c) | 550 | 55 | 13 | 83 | 21 | 123 | 2 | " |
| RTZ (c) | 600 | 17 | 36 | 57 | 17 | 82 | 3 | " |
| RTZ (c) | 650 | — | — | 42 | 65 | 62 | 5 | " |

C=Call P=Put

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# CURRENCIES, MONEY and GOLD

## Dollar weak

Dollar showed an easier trend, after a fairly dull start to foreign exchange trading yesterday. Selling pressure built up in the afternoon when U.S. centres began trading, with dealers noting particular activity from the International Monetary Market in Chicago. The large rise in the U.S. money supply figures announced Friday did not lead to any corresponding rise in Eurodollar interest rates and this may have some disappointment and increased dollar selling.

Sterling improved against the dollar, underpinned by expectations of higher North Sea oil prices, but was mixed against Continental currencies after showing a very firm trend earlier in the day.

European currencies generally rose against the dollar, with the French franc showing a marked recovery.

DOLLAR — trade-weighted index (Bank of England) fell to 112.9 from 113.7. The dollar touched a high point of FFr 6.04 against the French franc, but closed at FFr 5.9850, compared with FFr 6.05 on Friday. It was firmer against the D-mark at one time, reaching a peak of DM 2.5360, but weakened to DM 2.4920 at the close from DM 2.5250 before the weekend. The highest point touched in terms of the Swiss franc was SwFr 2.1940, but the wave of dollar selling from New York and Chicago pushed the U.S. currency back to SwFr 2.1680 at the finish, compared with SwFr 2.1850 on Friday. Against the yen the dollar fell to Y228.75 from Y233.73.

STERLING — trade-weighted index (Bank of England) rose to 91.3 from 90.9 after opening at 90.7 and rising to 90.8 at noon. The pound opened at $1.8030-1.8040, fell to a low of $1.8010-1.8020 in the morning. Strong demand for sterling pushed it to a peak of $1.8320-1.8330 at lunch, but it was little changed at around $1.8225 in the afternoon, before closing at $1.8220-1.8230, a rise of 1.75 cents on the day.

D-MARK — Weaker recently within the European Monetary System and close to a five-year low against the dollar, partly reflecting the high level of U.S. interest rates. The D-mark has also been depressed by a widening current account deficit and no sign yet of any sustained economic recovery. Events in Poland have also given rise to concern.—The D-mark lost ground to the dollar, and most other major currencies at the Frankfurt fixing. The U.S. currency rose to DM 2.5270 from DM 2.5155, but fell below DM 2.50 during the afternoon. Sterling improved to DM 4.5620 from DM 4.5480, but also showed an easier trend after lunch. The Swiss franc fell to DM 1.1572 from DM 1.1615 at the fixing, but members of the EMS were firmer, with the French franc rising to DM 41.89 per 100 francs from DM 41.67, and the Belgian franc to DM 6.1150 per 100 francs from DM 6.1040. The initial strength of the dollar reflected speculation that the latest U.S. money supply figures would lead to a rise in interest rates, but Eurodollar rates failed to respond.

JAPANESE YEN — Weaker against the dollar in recent months because of the sharp rise in U.S. interest rates, but still underpinned to some extent by Japan's strong economic performance — The yen improved against the dollar in active Tokyo trading, as the U.S. unit eased to Y232.75 at the close from Y233.75 on Friday. The dollar opened firm at Y235.30, but weakened on heavier than expected export covering by Japanese traders.

### THE POUND SPOT AND FORWARD

| Aug 17 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| U.S. | 1.8010-1.8330 | 1.8220-1.8230 | 0.80-0.90c dis | −5.60 | 2.20-2.30dis | −4.94 |
| Canada | 2.2100-2.2400 | 2.2275-2.2285 | 1.60-1.70c dis | −8.89 | 4.05-4.25dis | −7.45 |
| Nethlnd. | 5.04-5.10 | 5.04¾-5.05¾ | par-½c dis | −0.59 | par-½ dis | −0.20 |
| Belgium | 74.25-75.10 | 74.35-74.55 | 80-90c dis | −13.70 | 50-70 dis | −3.22 |
| Denmark | 14.29-14.43 | 14.29-14.31 | 6⅝-8⅛ore dis | −6.19 | 16½-18½ dis | −4.86 |
| Ireland | 1.2380-1.2610 | 1.2465-1.2480 | 0.23-0.37p dis | −2.89 | 0.81-1.01dis | −2.92 |
| W. Ger | 4.53½-4.59½ | 4.53½-4.54½ | ¾-½pf pm | 1.65 | 1⅞-1½ pm | 1.43 |
| Portugal | 121.00-122.30 | 121.50-121.80 | 70-155c dis | −11.10 | 205-400 dis | −9.78 |
| Spain | 182.50-184.70 | 182.65-182.95 | 90-120c dis | −6.89 | 255-295 dis | −6.02 |
| Italy | 2,262-2,287 | 2,263-2,265 | 37¾-39¾lire dis | −20.54 | 102-106dis | −18.37 |
| Norway | 11.25-11.37 | 11.29-11.31 | 1½ore pm-par | 0.86 | ¾pm-1½dis | −0.18 |
| France | 10.86-10.96 | 10.89½-10.91½ | 21¼-23¼c dis | −25.03 | 33½-35½dis | −12.84 |
| Sweden | 9.63-9.73 | 9.64-9.66 | 1½-2ore dis | −2.02 | 1½-2½ dis | −0.89 |
| Japan | 416-425 | 418-419 | 2.70-2.35y pm | 7.24 | 6.85-6.45 pm | 6.36 |
| Austria | 31.80-32.25 | 31.83-31.93 | 9-3gro pm | 2.26 | 12-2 pm | 0.88 |
| Switz. | 3.93-3.99 | 3.95-3.96 | 1½-1½c pm | 4.93 | 4½-4½ pm | 4.42 |

Belgian rate is for convertible francs. Financial franc 81.40-81.50. Six-month forward dollar 4.07-4.17c dis. 12-month 6.40-6.60c dis.

### THE DOLLAR SPOT AND FORWARD

| Aug 17 | Day's spread | Close | One month | % p.a. | Three months | % p.a. |
|---|---|---|---|---|---|---|
| UK† | 1.8010-1.8330 | 1.8220-1.8230 | 0.80-0.90c dis | −5.60 | 2.20-2.30dis | −4.94 |
| Ireland† | 1.4415-1.4615 | 1.4600-1.4615 | 0.28-0.38c dis | −2.73 | 0.65-0.50dis | −2.00 |
| Canada | 1.2221-1.2274 | 1.2221-1.2224 | 0.20-0.25c dis | −2.20 | 0.76-0.81dis | −2.56 |
| Nethlnd. | 2.7650-2.8045 | 2.7650-2.7700 | 1.35-1.25c pm | 5.60 | 3.62-3.52 pm | 5.12 |
| Belgium | 40.80-41.40 | 40.81-40.83 | 20-30c dis | −7.26 | 30-40 dis | −3.39 |
| Denmark | 7.8250-7.9540 | 7.8250-7.8350 | ½-¼ore dis | −0.57 | 0.85-0.35 pm | 0.30 |
| W. Ger. | 2.4860-2.5360 | 2.4915-2.4925 | 1.50-1.45pf pm | 7.10 | 3.98-3.92 pm | 6.34 |
| Portugal | 65.70-67.20 | 66.70-66.90 | 10-50c dis | −5.39 | 30-120 dis | −4.79 |
| Spain | 100.38-101.50 | 100.38-100.43 | 5cpm-10 dis | −0.30 | par-20 dis | −0.40 |
| Italy | 1,240-1,258 | 1,240-1,242 | 16-17½lire dis | −16.07 | 42-45 dis | −13.91 |
| Norway | 6.1950-6.2410 | 6.1975-6.2075 | 3.70-3.20ore pm | 6.67 | 8.10-7.60 pm | 5.06 |
| France | 5.9650-6.0400 | 5.9825-5.9875 | 9-11c dis | −20.05 | 11-13 dis | −8.02 |
| Sweden | 5.2950-5.3435 | 5.2950-5.3050 | 1.65-1.45ore pm | 3.50 | 5.60-5.40 pm | 4.15 |
| Japan | 229.50-232.50 | 229.70-229.80 | 2.60-2.45y pm | 13.19 | 6.60-6.45 pm | 11.36 |
| Austria | 17.47-17.73½ | 17.47-17.48 | 12.30-10.80gro pm | 7.89 | 28¾-24¾ pm | 5.58 |
| Switz. | 2.1630-2.1940 | 2.1675-2.1685 | 2.15-2.05c pm | 11.62 | 5.47-5.37 pm | 10.00 |

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

### CURRENCY MOVEMENTS

| Aug. 17 | Bank of England Index | Morgan Guaranty Changes % |
|---|---|---|
| Sterling | 91.3 | −32.2 |
| U.S. dollar | 112.9 | +5.6 |
| Canadian dollar | 87.6 | −18.1 |
| Austrian schilling | 110.3 | −20.6 |
| Belgian franc | 104.3 | −9.4 |
| Danish kroner | 84.4 | −11.6 |
| Deutsche mark | 115.2 | −37.7 |
| Swiss franc | 133.0 | −81.0 |
| Guilder | 107.1 | −14.3 |
| French franc | 81.2 | −12.7 |
| Lira | 56.7 | −55.7 |
| Yen | 142.3 | −36.0 |

Based on trade weighted changes from Washington agreement December 1971. Bank of England Index (base average 1975=100).

### CURRENCY RATES

| Aug. 14 | Bank rate % | Special Drawing Rights | European Currency Unit |
|---|---|---|---|
| Sterling | 12 | 0.620161 | 0.554005 |
| U.S. $ | 14 | 1.12032 | 0.998517 |
| Canadian $ | 21.07 | 1.373783 | 1.22945 |
| Austria Sch. | 6¾ | 19.8355 | 17.6802 |
| Belgian F. | 13 | 46.2020 | 41.2205 |
| Danish K. | 11 | 8.91607 | 7.92813 |
| D mark | 7½ | 2.81816 | 2.51476 |
| Guilder | 9 | 3.12549 | 2.78780 |
| French Fr. | 9½ | Unavail'le | 6.02885 |
| Lira | 19 | 1402.64 | 1250.89 |
| Yen | 6¼ | 261.931 | 231.609 |
| Norwgn. Kr. | 9 | 7.00424 | 6.23299 |
| Spanish Pts. | 8 | 113.432 | 101.000 |
| Swedish Kr. | 12 | 6.00772 | 5.32652 |
| Swiss Fr. | 5 | 2.42605 | 2.16735 |
| Greek Dr'ch. | 20½ | – | 61.7259 |

### OTHER CURRENCIES

| Aug. 17 | £ | $ | | £ Note Rates |
|---|---|---|---|---|
| Argentina Peso | 9339-9359† | 5099-5119† | Austria | 31.75-32.15 |
| Australia Dollar | 1.5960-1.6000 | 0.8770-0.8775 | Belgium | 80.60-81.40 |
| Brazil Cruzeiro | 180.43-181.43 | 98.62-99.11 | Denmark | 14.24-14.39 |
| Finland Markka | 8.49½-8.50½ | 4.6590-4.6610 | France | 10.84-10.99 |
| Greek Drachma | 108.989-112.325 | 61.60-61.80 | Germany | 4.54-4.57 |
| Hong Kong Dollar | 10.81¼-10.82¼ | 5.9350-5.9450 | Italy | 2225-2320 |
| Iran Rial | 149.00* | 82.25* | Japan | 420-425 |
| Kuwait Dinar (KD) | 0.509-0.515 | 0.2839-0.2842 | Netherlands | 5.03-5.08 |
| Luxembourg Fr. | 74.35-74.55 | 40.81-40.85 | Norway | 11.18-11.30 |
| Malaysia Dollar | 4.3180-4.3280 | 2.3700-2.3730 | Portugal | 118½-126 |
| New Zealand Dlr. | 2.2085-2.2135 | 1.2135-1.2145 | Spain | 179½-188 |
| Saudi Arab. Riyal | 6.13-6.19 | 3.4200-3.4250 | Sweden | 9.60-9.70 |
| Singapore Dollar | 3.9530-3.9650 | 2.1700-2.1730 | Switzerland | 3.94-3.98 |
| Sth. African Rand | 1.7250-1.7270 | 0.9465-0.9475 | United States | 1.81-1.83 |
| U.A.E. Dirham | 6.58-6.64 | 3.6715-3.6735 | Yugoslavia | 76-84 |

† Rate given for Argentina is the commercial rate. The financial rate for sterling is 13,943-13,963 and for the dollar 7,600-7,650. *Selling rate.

### EMS EUROPEAN CURRENCY UNIT RATES

| | ECU central rates | Currency amounts against ECU August 17 | % change from central rate | % change adjusted for divergence | Divergence limit % |
|---|---|---|---|---|---|
| Belgian Franc | 40.7985 | 41.1971 | +0.98 | +1.02 | ±1.5361 |
| Danish Krone | 7.91917 | 7.92405 | +0.06 | +0.10 | ±1.6413 |
| German D-Mark | 2.54502 | 2.52093 | −0.95 | −0.91 | ±1.1386 |
| French Franc | 5.99526 | 6.01639 | +0.35 | +0.39 | ±1.3638 |
| Dutch Guilder | 2.81318 | 2.79787 | −0.54 | −0.50 | ±1.5159 |
| Irish Punt | 0.685145 | 0.690890 | +0.84 | +0.88 | ±1.6888 |
| Italian Lira | 1262.92 | 1254.48 | −0.67 | −0.67 | ±4.1116 |

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

### EXCHANGE CROSS RATES

| Aug. 17 | Pound Sterling | U.S. Dollar | Deutschem'k | Japan'se Yen | French Franc | Swiss Franc | Dutch Guild' | Italian Lira | Canada Dollar | Belgian Franc |
|---|---|---|---|---|---|---|---|---|---|---|
| Pound Sterling | 1. | 1.823 | 4.543 | 418.5 | 10.905 | 3.956 | 5.053 | 2264. | 2.228 | 74.45 |
| U.S. Dollar | 0.549 | 1. | 2.492 | 229.6 | 5.984 | 2.170 | 2.772 | 1242. | 1.222 | 40.85 |
| Deutschemark | 0.220 | 0.401 | 1. | 92.13 | 2.401 | 0.871 | 1.112 | 498.4 | 0.490 | 16.39 |
| Japanese Yen 1,000 | 2.389 | 4.355 | 10.85 | 1000. | 26.06 | 9.450 | 12.07 | 5410. | 5.324 | 177.9 |
| French Franc 10 | 0.917 | 1.671 | 4.166 | 383.8 | 10. | 3.627 | 4.635 | 2076. | 2.043 | 68.27 |
| Swiss Franc | 0.253 | 0.461 | 1.149 | 105.8 | 2.757 | 1. | 1.277 | 572.4 | 0.563 | 18.82 |
| Dutch Guilder | 0.198 | 0.361 | 0.899 | 82.83 | 2.158 | 0.783 | 1. | 448.1 | 0.441 | 14.74 |
| Italian Lira 1,000 | 0.442 | 0.805 | 2.006 | 184.8 | 4.817 | 1.747 | 2.232 | 1000. | 0.984 | 32.88 |
| Canadian Dollar | 0.449 | 0.818 | 2.039 | 187.8 | 4.895 | 1.775 | 2.268 | 1016. | 1. | 33.42 |
| Belgian Franc 100 | 1.343 | 2.448 | 6.101 | 562.1 | 14.65 | 5.312 | 6.786 | 3041. | 2.995 | 100 |

### FT LONDON INTERBANK FIXING (11.00 a.m. AUGUST 17)

| 3 months U.S. dollars | | 6 months U.S. dollars | |
|---|---|---|---|
| bid 18 7/8 | offer 19 | bid 18 7/8 | offer 19 |

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rate for $10m quoted by the market to five reference banks at 11 am each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

### EURO-CURRENCY INTEREST RATES (Market closing Rates)

| Aug. 17 | Sterling | U.S. Dollar | Canadian Dollar | Dutch Guilder | Swiss Franc | West German Mark | French Franc | Italian Lira | Belgian Franc Convertible | Japanese Yen |
|---|---|---|---|---|---|---|---|---|---|---|
| Short term | 12⅞-13 | 18-18¼ | 22-23 | — | 2⅝-2¾ | 11⅝-11¾ | 40-60 | 18-26 | 17-31 | 6½-7 |
| 7 days' notice | 13-13¼ | 18⅛-18⅜ | 22-23 | 12⅝-12⅞ | 1½-2 | 11-11¼ | 35-55 | 30-35 | 22-30 | 6¾-7 |
| Month | 13 3/16-13 5/16 | 18½-18¾ | 21½-21⅞ | 13 5/16-13 7/16 | 8⅛-8¼ | 12⅛-12¼ | 33-37 | 32½-33½ | 24-26 | 6½-7½ |
| Three months | 14 1/16-14 3/16 | 18½-18¾ | 21⅝-21⅞ | 13⅜-13⅝ | 8¾-8⅞ | 12⅜-12½ | 25-28 | 32½-33½ | 21⅞-22¼ | 7⅜-7⅝ |
| Six months | 14⅛-14¼ | 18¾-19 | 20⅞-21¼ | 13¼-13⅜ | 9 1/16-9 3/16 | 12⅜-12½ | 22-24 | 31-32 | 20-21 | 7⅜-7⅝ |
| One Year | 14 1/16-14 3/16 | 17¾-18 | 19⅞-20¼ | 12⅞-13 | 8 1/16-8 3/16 | 12⅜-12½ | 20-22 | 28¾-29½ | 18¾-19⅛ | 8-8¼ |

SDR linked deposits: one-month 17⅛-17⅝ per cent; three months 16 9/16-16 11/16 per cent; six months 16 5/16-16 7/16 per cent; one-year 15 7/16-15 13/16 per cent.
ECU linked deposits: one-month 19¼-19⅝ per cent; three months 17 9/16-17 11/16 per cent; six months 16¾-17⅛ per cent; one-year 16 5/16-16 9/16 per cent.
Asian $ (closing rates in Singapore): one-month 18 11/16-18 13/16 per cent; three months 18 11/16-18 13/16 per cent; six months 18 9/16-18 11/16 per cent; one-year 18-18⅛ per cent. Long-term Eurodollar two years 16⅝-16⅞ per cent; three years 16½-16¾ per cent; four years 16⅜-16⅝ per cent; five years 16¼-16½ per cent; nominal closing rates.
The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.45-18.55 per cent; three months 18.50-18.60 per cent; six months 18.45-18.55 per cent; one-year 17.85-17.85 per cent.

### MONEY MARKETS

## Rates firm

**Bank of England Minimum Lending Rate 12 per cent (since March 10 1981)**

Short-term interest rates showed a firmer trend in the London money market yesterday, with three-month funds touching 14⅛-14¼ per cent in interbank trading, before easing at the close to 14 1/16-14 3/16 per cent, compared with 13⅞-14 per cent Friday. Overnight money responded to the general shortage of market funds, and after opening at 12½-12¾ per cent, touched a peak of 14-15 per cent twice during the day, before finishing at 13-13¼ per cent.

Discount houses buying rates for three-month eligible bank bills firmed slightly to 13 5/16 per cent from 13¼ per cent. The houses paid 12-12¾ per cent for secured call loans in the morning, with closing balances taken at around 12 per cent.

The authorities gave very large assistance to the market, mainly by buying a very large number of bills at rates between 12⅞-12¾ per cent for resale on September 4 and 7. Outright purchase was also made of a small amount of Treasury bills from the houses and banks, plus a small number of local authority bills from the houses, and a small amount of eligible bank bills from the houses.

Payments of tobacco tax made a major contribution to the extremely large excess of revenue payments to the Exchequer over Government disbursements, while the market was also faced with moderate run-down balances brought forward by the banks, and a small number of maturing commercial bills in official hands. These factors outweighed a small decrease in the note circulation.

In Basle two major Swiss banks—Swiss Bank Corporation, and Credit Suisse—announced increases of ¼ per cent in various rates on savings accounts from September 1. Rates will range from 3¾ per cent to 4 per cent.

In Frankfurt the Bundesbank left its special Lombard facility open at 12 per cent. German call money was slightly easier yesterday, at 11.80-11.90 per cent, compared with 12 per cent on Friday. Fixed period rates were unchanged.

In Paris call money was unchanged at 17½ per cent.

In Amsterdam overnight funds were quoted at 10-11 per cent, against 10½-10¾ per cent previously. Term rates showed little change with one-month at 13½-13¾ per cent, against 13⅜-13⅝ per cent.

### MONEY RATES

| | |
|---|---|
| **NEW YORK** | |
| Prime rate | 20½ |
| Fed. funds | 18-18¼ |
| Treasury bills (13-week) | 15.57 |
| Treasury bills (26-week) | 15.46 |
| **GERMANY** | |
| Special Lombard | 12.00 |
| Overnight rate | 11.85 |
| One month | 12.75 |
| Three months | 12.825 |
| Six months | 13.05 |
| **FRANCE** | |
| Intervention rate | 17.125 |
| Overnight rate | 17.50 |
| One month | 17.375 |
| Three months | 17.50 |
| Six months | 17.00 |
| **JAPAN** | |
| Discount rate | 6.25 |
| Call (unconditional) | 7.375 |
| Bill discount (three-month) | 7.53125 |

### LONDON MONEY RATES

| Aug. 17 1981 | Sterling Certificate of deposit | Interbank | Local Authority deposits | Local Auth. negotiable bonds | Finance House Deposits | Discount Company Deposits | Discount Market Deposits | Treasury Bills ϕ | Eligible Bank Bills ϕ | Fine Trade Bills ϕ |
|---|---|---|---|---|---|---|---|---|---|---|
| Overnight | — | 12-15 | 12¾-13 | — | — | 12½ | 12-12½ | — | — | — |
| 2 days notice | — | — | 12¾-13⅛ | — | — | — | — | — | — | — |
| 7 days or | — | — | — | — | — | — | — | — | — | — |
| 7 days notice | — | 12⅝-13½ | 13-13¼ | — | 13⅝ | 13½-13½ | 12-12½ | — | — | — |
| One month | 13⅛-13⅝ | 13⅛-15⅞ | 13¾ | 14⅝-14¼ | 13½ | 14⅛ | 12¾ | 12⅞-13 | 12⅞ | 14½ |
| Two months | 13½-13⅝ | 13⅞-14 | — | 14½-14⅛ | 14¼ | — | 13-13¼ | 13⅛-13⅝ | 13⅛-13¼ | 14 |
| Three months | 14½-14 | 13⅞-14¼ | 14¼ | 14½-14⅛ | 14½ | 14½ | 13¼-13½ | 13½-13⅝ | 13¼ | 14 |
| Six months | 14⅛-14 | 13¾-14¼ | 14¼ | 13½-13½ | 14½ | — | — | — | 13⅝ | 14½ |
| Nine months | 14⅛-14 | 14-14⅛ | — | 14½-14⅛ | 14½ | — | — | — | — | — |
| One year | 14⅛-14 | 14-14⅛ | 14⅝ | 14⅜-14⅛ | 14½ | — | — | — | — | — |
| Two years | — | — | 14½ | — | — | — | — | — | — | — |

Local authorities and finance houses seven days' notice others seven days' fixed. Long-term local authority mortgage rates nominally three years 14⅝ per cent; four years 14¾ per cent; five years 14¾ per cent. ϕBank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 13 9/16 per cent; four months trade bills 14 per cent.

Approximate selling rate for one-month Treasury bills 12¾-12⅞ per cent; two months 13 3/16-13¼ per cent; three months 13 5/16-13 11/16 per cent. Approximate selling rate for one-month bank bill 12 11/16-12¾ per cent; two months 13¼-13⅜ per cent; three months 13 7/16 per cent; one-month trade bills 14 per cent; two month 13¾ per cent and three months 13¾ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from August 1, 1981. Clearing Bank Deposit Rates for sums at seven days' notice 9 per cent. Clearing Bank Rates for lending 12 per cent. Treasury Bills: Average tender rates of discount 13.5007 per cent.

### GOLD

## Slight fall

Gold fell $2 to $411-413 in the London bullion market yesterday. It opened at $409½-411½, and stood at $409.50 at the morning fixing and $411.50 in the afternoon, influenced by the easier trend of the dollar. The metal touched a low point of $408¾-410¾, and a peak of $412-414.

In Paris the 12½ kilo gold bar was fixed at FFr 90,200 per kilo ($464.87 per ounce) in the afternoon, compared with FFr 91,000 ($469.18) in the morning, and FFr 93,000 ($475.75) Friday morning.

In Frankfurt the 12½ kilo bar was fixed at DM 33,380 per kilo ($411.03 per ounce), against DM 33,670 ($415.01) previously, and closed at $410-412, compared with $413-415 on Friday.

In Zurich gold finished at $410-413, against $412-415 before the weekend.

| | Aug. 17 | | Aug. 14 | |
|---|---|---|---|---|
| **Gold Bullion (fine ounce)** | | | | |
| Close | $411-413 | (£225½-226½) | $413-415 | (£228½-229½) |
| Opening | $409½-411½ | (£226¾-227¾) | $408-410 | (£227½-228½) |
| Morning fixing | $409.50 | (£226.908) | $411.50 | (£229.210) |
| Afternoon fixing | $411.50 | (£225.541) | $415 | (£228.619) |
| **Gold Coins** | | | | |
| Krugerrand | $425½-426½ | (£233¾-234¼) | $426½-427½ | (£236¼-236¾) |
| 1/2 Krugerrand | $219-220 | (£120¼-120¾) | $219½-220½ | (£121¾-122¼) |
| 1/4 Krugerrand | $111½-112½ | (£61¼-61¾) | $112-113 | (£62-62½) |
| 1/10 Krugerrand | $45½-46½ | (£25-25½) | $45¾-46¾ | (£25¼-25¾) |
| Mapleleaf | $424-426 | (£232¾-234) | $424-426 | (£234¾-236) |
| New Sovereigns | $102¾-103¼ | (£56½-56¾) | $103¼-103¾ | (£57¼-57½) |
| King Sovereigns | $115-117 | (£63-64) | $115-117 | (£63½-64½) |
| Victoria Sovs | $115-117 | (£63-64) | $115-117 | (£63½-64½) |
| French 20s | $121-126 | (£66½-69½) | $121-127 | (£67-70½) |
| 50 pesos Mexico | $512-516 | (£281¼-283½) | $515-518 | (£285¼-286¾) |
| 100 Cor. Austria | $398-402 | (£218½-220¾) | $400-404 | (£221¾-223¾) |
| $20 Eagles | $554-559 | (£304½-307) | $554-559 | (£306¾-309½) |

## WORLD VALUE OF THE POUND

The table below gives the latest available rate of exchange for the pound against various currencies on August 17, 1981. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rates; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rates; (cm) commercial rate; (ch) convertible rate; (fn) financial rates; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

| Place and Local Unit | | Value of £ Sterling |
|---|---|---|
| Afghanistan | Afghani | [illegible] |
| Albania | Lek | [illegible] |
| Algeria | Dinar | [illegible] |
| Andorra | French Franc | [illegible] |
| | Spanish Peseta | [illegible] |
| Angola | Kwanza | [illegible] |
| Antigua (S) | E. Caribbean $ | 4.92 |
| Argentina | Ar. Peso | [illegible] |
| Australia (S) | Australian $ | [illegible] |
| Austria | Schilling | [illegible] |
| Azores | Portuguese Escudo | [illegible] |
| Bahamas (S) | Ba. Dollar | [illegible] |
| Bahrain (S) | Dinar | [illegible] |
| Balearic Isles | Spa. Peseta | [illegible] |
| Bangladesh (S) | Taka | [illegible] |
| Barbados (S) | Barbados $ | [illegible] |
| Belgium | B. Franc | [illegible] |
| Belize | B $ | [illegible] |
| Benin | C.F.A. Franc | 545.25 |
| Bermuda (S) | Bda $ | [illegible] |
| Bhutan | Indian Rupee | [illegible] |
| Bolivia | Bolivian Peso | [illegible] |
| Botswana (S) | Pula | [illegible] |
| Brazil | Cruzeiro | [illegible] |
| Brit. Virgin Isles (S) | U.S. $ | [illegible] |
| Brunei (S) | Brunei $ | [illegible] |
| Bulgaria | Lev | [illegible] |
| Burma | Kyat | [illegible] |
| Burundi | Burundi Franc | [illegible] |
| Cameroon Republic | C.F.A. Franc | 545.25 |
| Canada | Canadian $ | [illegible] |
| Canary Islands | Spanish Peseta | [illegible] |
| Cape Verde Isle | Cape V. Escudo | [illegible] |
| Cayman Islands (S) | Cay. Is. $ | [illegible] |
| Cent. Af. Repub. | C.F.A. Franc | 545.25 |
| Chad | C.F.A. Franc | 545.25 |
| Chile | C. Peso | [illegible] |
| China | Renminbi Yuan | [illegible] |
| Colombia | C. Peso | [illegible] |
| Comoro Islands | C.F.A. Franc | 545.25 |
| Congo Brazaville | C.F.A. Franc | 545.25 |
| Costa Rica | Colon | [illegible] |
| Cuba | Cuban Peso | [illegible] |
| Cyprus (S) | Cyprus £ | [illegible] |
| Czechoslovakia | Koruna | [illegible] |
| Denmark | Danish Krone | 14.30 |
| Djibouti | Fr. | [illegible] |
| Dominica (S) | E. Caribbean $ | 4.92 |
| Dominican Repub. | Dominican Peso | 1.8225 |
| Ecuador | Sucre | [illegible] |
| Egypt | Egyptian £ | [illegible] |
| Equatorial Guinea | Ekuele | [illegible] |
| Ethiopia | Ethiopian Birr | [illegible] |
| Falkland Islands (S) | Falkland Is. £ | 1.0 |
| Faroe Islands | Danish Krone | [illegible] |
| Fiji Islands | Fiji $ | [illegible] |
| Finland | Markka | [illegible] |
| France | French Franc | 10.905 |
| French C'ty in Af* | C.F.A. Franc | 545.25 |
| French Guiana | Local Franc | 10.905 |
| French Pacific Is | C.F.P. Franc | [illegible] |
| Gabon | C.F.A. Franc | 545.25 |
| Gambia (S) | Dalasi | [illegible] |
| Germany (East) | Ostmark | [illegible] |
| Germany (West) | Deutsche Mark | [illegible] |
| Ghana (S) | Cedi | [illegible] |
| Gibraltar (S) | Gibraltar £ | 1.0 |
| Greece | Drachma | 110.657 |
| Greenland | Danish Kroner | 14.30 |
| Grenada (S) | E. Caribbean $ | 4.92 |
| Guadeloupe | Local Franc | 10.905 |
| Guam | U.S. $ | 1.8225 |
| Guatemala | Quetzal | 1.8225 |
| Guinea Republic | Syli | 40.10 |
| Guinea Bissau | Peso | 71.50 |
| Guyana (S) | Guyanese $ | 5.4160 |
| Haiti | Gourd | 9.1125 |
| Honduras Repub | Lempira | 3.67 |
| Hong Kong (S) | H.K. $ | 10.8175 |
| Hungary | Forint | com. 66.5446 |
| | | T nc 61.4157 |
| Iceland (S) | I. Krona | 15.751 |
| India (S) | Ind. Rupee | 16.38 |
| Indonesia | Rupiah | 1,145.55 |
| Iran | Rial | 149.0 sg. |
| Iraq | Iraq Dinar | 0.5465 |
| Irish Republic | Irish £ | 1.24725 |
| Israel | Shekel | 22.70 |
| Italy | Lira | 2,264.0 |
| Ivory Coast | C.F.A. Franc | 545.25 |
| Jamaica (S) | Jamaica Dollar | 3.2502 |
| Japan | Yen | 418.5 |
| Jordan (S) | Jordan Dinar | 0.614 sg |
| Kampuchea | Riel | 2,187.0 |
| Kenya (S) | Kenya Shilling | 16.23 |
| Kiribati | Australian $ | 1.5960 |
| Korea Nth | Won | 1.92 |
| Korea Sth | Won | 1,238.96 |
| Kuwait | Kuwait Dinar | 0.512 |
| Laos | New Kip | 18.225 |
| Lebanon | Lebanese £ | 8.0465 |
| Lesotho | Loti | 1.7260 |
| Liberia | Liberian $ | 1.8225 |
| Libya | Libyan Dinar | 0.5395 |
| Liechtenstein | Swiss Franc | 3.955 |
| Luxembourg | Lux Franc | 74.45 |
| Macao | Pataca | 10.95 |
| Madeira | Portuguese Escudo | 121.65 |
| Malagasy Republic | MG Franc | 545.25 |
| Malawi (S) | Kwacha | 1.70 |
| Malaysia (S) | Ringgit | 4.3250 |
| Maldive Islands (S) | Mal Rupee | 7.1446 |
| Mali Republic | Mali Franc | 1,090.5 |
| Malta (S) | Maltese £ | 0.741 |
| Martinique | Local Franc | 10.905 |
| Mauritania | Ouguiya | 110.35 |
| Mauritius (S) | M. Rupee | 16.25 |
| Mexico | Mexican Peso | 45.27 |
| Miquelon | C.F.A. Franc | 545.25 |
| Monaco | French Franc | 10.905 |
| Mongolia | Tugrik | o 5.47 |
| Montserrat | E. Caribbean $ | 4.92 |
| Morocco | Dirham | 10.21 sg. |
| Mozambique | Metical | 54.20 |
| Nauru | Australian Dollar | 1.5980 |
| Nepal | Nepalese Rupee | 21.50 |
| Netherlands | Guilder | 5.0525 |
| Netherland Antilles | Antillian Guilder | 3.2620 |
| New Zealand (S) | N. Z. Dollar | 2.2110 |
| Nicaragua | Cordoba | 18.56 |
| Niger Republic | C. F. A. Franc | 545.25 |
| Nigeria (S) | Naira | 1.205757 sg |
| Norway | Norway Krone | 11.30 |
| Oman Sultanate of (S) | Rial Omani | 0.622 |
| Pakistan | Pakistan Rupee | 17.99 |
| Panama | Balboa | 1.8225 |
| Papua N. Guinea (S) | Kina | 1.3805 |
| Paraguay | Guarani | 230.56 |
| Peru | Sol | exc A 789.13 |
| Philippines | Philippine Peso | 14.20 |
| Pitcairn Islands (S) | £ Sterling | — |
| | New Zealand $ | 2.2110 |
| Poland | Zloty | Cm 66.58 |
| | | T 66.58 |
| Portugal | Portuguese Escudo | 121.65 |
| Puerto Rico | U.S. $ | 1.8225 |
| Qatar (S) | Qatar Ryal | 6.55 |
| Reunion Ile de la | French Franc | 10.905 |
| Romania | Leu | Cm 8.31 |
| | | nc 20.45 |
| Rwanda | Rwanda Franc | 171.55 |
| St. Christopher (S) | E. Caribbean $ | 4.92 |
| St. Helena | St. Helena £ | 1.0 |
| St. Lucia | E. Caribbean $ | 4.92 |
| St. Pierre | Local Franc | 10.905 |
| St. Vincent (S) | E. Caribbean $ | 4.92 |
| Salvador El | Colon | 4.58 |
| Samoa American | U.S. $ | 1.8225 |
| San Marino | Italian Lira | 2,264.0 |
| Sao Tome & Principe | Dobra | 73.55 |
| Saudi Arabia | Ryal | 6.16 |
| Senegal | C.F.A. Franc | 54.525 |
| Seychelles | S. Rupee | 11.55 sg |
| Sierra Leone (S) | Leone | 2.19251 |
| Singapore (S) | Singapore $ | 3.9590 |
| Solomon Islands (S) | Solomon Is. $ | 1.6375 |
| Somali Republic | Somali Shilling (3) | (A) 11.55 |
| Somali Republic | Somali Shilling (4) | 22.65 |
| South Africa (S) | Rand | 1.7260 |
| South West African Territories (S) | S. A. Rand | 1.7260 |
| Spain | Peseta | 182.80 |
| Spanish ports in North Africa | Peseta | 182.80 |
| Sri Lanka (S) | S. L. Rupee | 34.89 |
| Sudan Republic | Sudan £ (1) | 0.91 |
| Sudan Republic | Sudan £ (2) | 1.46 |
| Surinam | S. Guilder | 3.2620 |
| Swaziland (S) | Lilangeni | 1.7260 |
| Sweden | S. Krona | 9.65 |
| Switzerland | Swiss Franc | 3.955 |
| Syria | Syria £ | (A) 10.00 |
| Taiwan | New Taiwan $ | 65.60 |
| Tanzania (S) | Tan. Shilling | 14.85 |
| Thailand | Baht | 41.60 |
| Togo Republic | C.F.A. Franc | 545.25 |
| Tonga Islands (S) | Pa'anga | 1.5980 |
| Trinidad (S) | Trinidad & Tob. $ | 4.3740 |
| Tunisia | Tunisian Dinar | 0.970 sg |
| Turkey | Turkish Lira | 217.02 |
| Turks & Caicos | U.S. $ | 1.8225 |
| Tuvalu | Australian $ | 1.5960 |
| Uganda (S) | Uganda Shilling | 145.0 |
| United States | U.S. Dollar | 1.8225 |
| Uruguay | Uruguay Peso | cm 20.05 |
| | | fn 20.04 |
| Utd. Arab Emirates | U.A.E. Dirham | 6.61 |
| U.S.S.R. | Rouble | 1.4140 |
| Upper Volta | C.F.A. Franc | 545.25 |
| Vanuatu | Vatu | 170 sg |
| | Aust. Dollar | 1.5980 |
| Vatican | Italian Lire | 2,264.0 |
| Venezuela | Bolivar | 7.85 |
| Vietnam | Dong | O 5.9750 |
| | | T 4.70 |
| Virgin Islands U.S. | U.S. Dollar | 1.8225 |
| Western Samoa (S) | Samoan Tala | 1.90 |
| Yemen | Ryal | 8.14 sg |
| Yemen (Sth) | S. Yemen Dinar | (A) 0.6210 |
| Yugoslavia | New Y Dinar | 71.9982 |
| Zaire Republic | Zaire | 10.237996 |
| Zambia | Kwacha | 1.55 |
| Zimbabwe | Zimbabwe $ | 1.3250 |

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. †Rupees per pound. [illegible] exports 75.56. **Rate is the transfer market (controlled). ††Rate is now based on 2 Barbados $ to the dollar. ‡‡Now one official rate. [illegible] Applicable on all transactions except countries having a bilateral agreement with Egypt and who are not members of IMF. (1)Based on gross rates against Russian rouble. (1)Official rates for investment transactions and specified exports and imports. (2)Parallel rates for non-government transactions and non-specified exports and imports. [illegible] (3)Parallel exchange rate for essential imports. (4)Exports, non-essential imports and transfers.

**Lachlan Drummond,** recently in New York, reports on a key primary industry. A second-half downturn is expected after a good first six months.

# U.S. steel groups prosper under protection

HIGHER prices and production behind the protective barrier of the trigger price mechanism, and booming demand for tubular goods from the oil and gas exploration industry came together to give the U.S. steel industry strong earnings gains for the second quarter and first half of the current year.

For the seven largest in the industry (see table), the second quarter showed an aggregate 163 per cent increase in net profits to $633m, while for the six months the percentage increase was 54 per cent for a total of $1.03bn.

*Output in the first half for* six of the top seven companies revealing such details was 7.9 per cent higher than in the opening six months of 1980. While the second half is expected to show a decline in *industry output from 48m tons* in the opening period to 44m tons, the *annual total will be* about 10 per cent ahead of 1980 at about 92m tons. The earnings peak, however, has passed for this year.

*This* forecast drop in production allied with the traditional *slowdown in delieveries in the* third quarter as a result of closures of customer plants for holidays—particularly as the Detroit car makers prepare to unveil their new models—will place pressure on profits in the *third and fourth quarters.*

The effects will be mitigated for some by demand for oilfield equipment.

Moreover, the level of imports has bounded upward in the latest quarter. The imports' market share has remained steady at 16.2 per cent with *physical growth disguised by* the overall improvement in deliveries but the domestic industry has begun ringing the alarm bells.

*For much of this year the in*dustry has enjoyed a respite from the pricing pressures imposed by exporters to the U.S. because the trigger price has *been raised an effective 22.8* per cent in the 12 months since June 30 last year. This left prices charged by domestic producers in the north-east and mid-west below the trigger level, allowing the steelmakers *to raise prices and rebuild* margins and market share.

The industry is concerned that its output and shipments are declining while imports show no sign of abating. Indeed, the European producers, who *have increased their shipments* to the U.S. in the latest half by 467,000 tons to 2.41m tons, are pressing U.S. officials to allow them to ship steel at prices lower than the trigger level.

They argue that the dollar has risen more against European currencies than the Yen, *making their production costs* lower than Japan's—which are the basis for the trigger price. This facto should be reflected in their landed cost, the Europeans say. The U.S. industry has countered that European costs *include substantial Government* subsidies in one form or other.

*Despite these arguments,* a good one third of more of the *imports—and the majority of* the 737,000 ton increase in first half imports to 8.86m tons—is represented by tubular products sucked in to fill the gap between demand and the domestic industry's capacity.

*Indeed overall Japanese* imports ocntinued to decline in the *first six months after reaching a* 13-year-low of 5.7m tons for 1980. They fell to 2.85m tons from 3.41m tons as a result of the trigger price and poor markets *for flat rolled sheet and* galvanised sheet used by the motor and appliance markets.

However, Japanese exports of seamless and welded tubular *goods have leapt ahead accounting for at least 40 per cent of its* half-year total *compared with* only a third for all of 1980. The Japanese mills are running at full capacity to supply the tubular demand and are rapidly *building up capacity.*

Armco, which is doubling its U.S. tubular goods capacity to 600,000 tons a year, has an import contract with Nippon Steel. U.S. Steel has reached a five-year, 120,000 per annum contract with Dalmine of Italy for the supply of tubing to cover the *period before U.S. Steel brings* a 600,000 ton capacity tube mill into production. The mill is being built by Dalmine in the U.S.

There is little sign that this strong level of imports *for tubular goods will recede and Armco* has projected that the 1m ton *gap between local capacity and* oil industry demand (4.7m in *1980 and rising) will widen de*spite the attempts of the domestic industry to expand capacity. *It forecasts an average 2.2m* ton annual shortfall in welded and seamless tubular production between 1984 and 1988 when it estimates that domestic *capacity will be 2.3m tons be*hind the demand total of 8.6m tons.

The ambitious domestic expansion plans for tubular goods reflect the astonishing growth of oil drilling—4,000 rigs are *currently active in the U.S. and* some 325m feet of wells are likely to be drilled this year, clear records for the industry. But the question remains whether new capacity will displace imports or substitute for *existing plants producing rather* low-quality goods.

*Equally the rate of growth in* drilling may well diminish, particularly if the present glut of oil on world markets extends for some time. Armco is budgetting for continued growth for the remainder of this year although it expects that if any slowdown occurs it will be in *shallow drilling with any slack* taken up as oil companies push ever deeper in the search for hydrocarbons.

This continued growth this *year should shelter Armco, LTV,* U.S. Steel and, to a lesser extent, National and Republic from expected downturns on their traditional steel operations. Bethlehem, with its concentration on the heavy steel *markets in construction, pipes,* bridges and the motor industry and Inland, with 26 per cent of its output related to transportation and 22 per cent to *steel service centres, will feel* the chill more.

*National, while expanding its* tubular goods activities, is also heavily exposed to the transportation, container and appliance industries.

U.S. Steel, LTV and Armco will be looking to their oilfield *equipment operations—Oilwell,* Continental Emsco and National Supply respectively — for growth. But they will also be joining their basic steel rivals in hoping for a drop in inflation and interest rates towards the *end of the year as a spur to* economic growth and to stimulate *motor, appliance, capital* goods and heavy construction markets for 1981.

These customer industries have shown some recovery, or at least a halt to the decline, but the high cost of money *and other factors, have greatly* restricted their rebuilding of stocks.

After the savage capacity cuts of 1979, the continuing trimming of costs and boosting of efficiency through the installation of continuous casting machinery, and a general upgrading *of facilities the industry is keen* to derive a benefit from these *actions next year.*

However, for the current year, its seems the earnings peak has passed.

**STEEL GROUP NET EARNINGS ($m)**

| | Second quarter 1981 | Second quarter 1980 | Half-year 1981 | Half-year 1980 |
|---|---|---|---|---|
| U.S. Steel | 167.6 | 111.5 | 438.5 | 237.5 |
| Bethlehem | 77.6 | 43.1 | 103.5 | 97.5 |
| LTV* | 126 | 37.1 | 173.3 | 63.5 |
| Republic | 43.08 | 8.84 | 75.65 | 29.48 |
| National | 19.05 | 3.31 | 34.7 | 110.4 |
| Armco | 85.5 | 59.8 | 154.5 | 127.9 |
| Inland | 29.5 | −22.45 | 50.93 | 4.3 |

*Conglomerate which includes Jones and Laughlin, third *largest steelmaker.*

# Pilots back United Airlines expansion

By Ian Hargreaves in New York

United Airlines, the largest domestic U.S. carrier, has announced plans for widespread extra routes, contrary to the industry's dominant *trend of cutting back services* and in spite of the current disruption caused by the air traffic controllers' strike.

United, based in Chicago, said its expansion plans were a direct response to an agreement *reached with its pilots* a few days ago in whihe the *pilots had agreed to extend* working hours and other concessions.

The deal with the pilots was part of a new two-year contract, which offers the pilots 24 per cent in extra wages *over 26 months, and* a guarantee of no redundancies.

The concessions extracted by the airline have been valued at $75m. They include flying Boeing 737 aircraft with two rather than three men *in the cockpit* and permitting pilots to fly for up *to 85 hours per month* rather than the current 77½ hour limit.

The United management has hailed the labour agreement as a breakthrough in its efforts to lower costs to compete with the numerous, fast growing non-union carriers *which have developed since* airline deregulation began.

*By planning new routes,* whose focus is extra service to sunbelt cities such as Albuquerque, Houston and Las Vegas, United is going on to the counter-attack against competition, after a period of *retrenchment.*

This is a major gamble, *especially as the new agree*ment with the pilots appears to give the company less flexibility in enforcing lay-offs than many of its competitors.

The pilots' union, however, has hailed the agreement as a watershed in management-labour relations.

# Foreign offshoots [...] Woolworth earni[...]

BY DAVID LASCELLES IN NEW YORK

F. W. WOOLWORTH, the U.S. retailing chain whose British subsidiary last week announced a £1.5m ($2.7m) loss for the first half, managed to raise its profits by $14m in the second quarter of this year. But this included substantial non-recurring items without which Woolworth's operating results would have been in the red—mainly *because of poor earnings from* its foreign operations.

Mr Edward Gibbons, the chairman, described the weakness of Woolworth's overseas *business as "distressing," but* he blamed it in part on the strength of the dollar which reduced the purchasing power of the currencies in countries where Woolworth does business, mainly in Europe and Mexico.

*By contrast with the* 7.4 per cent drop in foreign sales, Woolworth's domestic U.S. retailing operations notched an 8.1 per cent increase, and Mr Gibbons said that as the company entered the second half of 1981 "We see *encouraging indi*cations." The latter half of the year always gives Woolworth the greater portion of its profits because of Christmas and other seasonal reasons.

Results from the [...] sidiary are not [...] The parent repor[...] equity in its incom[...] a loss of *£3m.* [...] blamed this on [...] economy burdened [...] employment" in ad[...] subsidiary's heavy [...] outlays. But he [...] seasonal second h[...] sales.

Woolworth's net i[...] second quarter was [...] cents a share. But [...] $16m in tax benefi[...] in after-tax earnin[...] recent sale of 51 [...] the equity in its [...] sidiary. Earnings [...] depressed by $12[...] currency translati[...]

*In the second q*[...] year Woolworth e[...] $1m.

The sale of the [...] *Mexican subsidia*[...] through to establ[...] local ownership [...] prerequisite for [...] Woolworth has be[...] open new stores i[...] eight years beca[...] majority control of [...]

# Garfinckel rebuffs A[...]

BY OUR NEW YORK CORRESPONDENT

THE $208m bid by Allied Stores for Garfinckel, Brooks Brothers, Miller and Rhoads, another store chain, received a sharp rebuff from the Garfinckel Board.

The offer was described by Mr *David Waters,* Garfinckel's president, as a "sneak attack" which was totally inadequate. Mr Waters also said in a lengthy interview with the Wall Street Journal that he was considering selling off all or part of Garfinckel's business, in addition to the usual legal manoeuvres that *takeover targets resort to in the* face of unfriendly approach.

*Allied, which owns numerous* store chains including Bonwit Teller, Jordan M[...] mouth declined to [...] Garfinckel's resp[...] *offered* $48 a shar[...] of about 40 per c[...] finckel's recent [...] Garfinckel has be[...] mentioned as a [...] over target and [...] strong likelihood [...] a counter-bidder [...] Garfinckel shares [...] at more than $2[...] price.

Garfinckel ow[...] fashion shops, [...] high-class Brooks [...] ing stores. Sales [...] $472m and profit[...]

# Tokyo stocks set new peak

By Richard C. Hanson in Tokyo

THE TOKYO stock market reached a new high yesterday with the Nikkei Dow index breaking through the psychologically important *8,000 level.*

The nidex closed at 8,079.14 *for a gain on the day of* 42.74. As a result the Nikkei Dow is now 15 per cent above the low for the year which it touched in mid-March.

The rally, came amid reports of more Arab buying of Japanese shares, including purchases said to be coming from Saudi Arabia. Foreign buying has figured prominently over the past two weeks since the yen began to show signs of a recovery.

However, yesterday's share price gains were achieved on thin dealing volume. The market traded *380m* shares compared with 544m on Friday.

## Carnation ahead

Carnation, the U.S. foods group, reported a modest increase in profits for the second quarter ended June, writes our Financial Staff. Net profit of $35.3m, or 96 cents a share, against $33m, or 89 cents a year earlier. *Sales rose to $818.4m* from $758.1m. This brought first-half profits to $80.8m on sales of $1.65bn against $75.3m on $1.52bn.

# Swedish Match concludes deal

BY WESTERLY CHRISTNER IN STOCKHOLM

SWEDISH MATCH, ASSI and Södra Skogsägarna have concluded final agreements in a major reshuffling of their building product operations.

Sweden's *anti-trust* Ombudsman had raised objections to *certain aspects of the re*organisation regarding Swedish Match's "dominating" market position in doors and kitchen cabinets.

According to the pacts reached, taking effect immediately, Swedish Match will not control more than 49 per cent of the door and *kitchen* cabinet markets, compared with *the 75 per cent earlier esti*mated.

*In essence Assi, the state*-owned paper and board company, will stop manufacturing building products and focus on cardboard while Swedish Match will stop its cardboard operations and concentrate on particular building products, such as doors and kitchen furnish*ings. The deals affect Swedish* Match units in West Germany, *Britain, France and Portugal.*

Together with Södra, the two *companies will establish a new* chipboard manufacturing company, Swedspan, with a capacity of some 600,000 cubic metres of chipboard a year and sales of about SKr 350m ($68.6m).

# SDR issue for Italian borrower

BY FRANCIS GHILES

AN SDR 100m ($111m) floating rate note (FRN) was launched yesterday for the Italian state railway company, Ferrovie dello Stato, through Dillon Read and Orion Royal Bank.

This bond will replace part of the $500m loan for the same borrower which was withdrawn *earlier this summer.*

The borrower is paying an interest rate set at ¼ per cent over the six-month SDR rate *with a minimum coupon of 5* per cent for four years. This is the third dollar FRN to be denominated in special drawing rights so far this year.

A $30m FRN is expected to be launched for Industrial Resistol, a major Mexican private sector chemical company, later this month. This seven-year note will be arranged through Merrill Lynch and *Continental Illinois.*

Trading in fixed interest dollar bond, which declined ¼ points yesterday, remains very thin. The new issue "window" which allowed three triple-A *rated borrowers to arrange* issues last week—the World Bank, Ontario Hydro and Shell Canada—is well and truly closed.

The poor secondary market *performance of the 16 per cent* dollar bond to 1991 for Ontario Hydro, which was priced at par by Deutsche Bank on Friday and quoted at 98-98½ yesterday, shows how fragile was last week's recovery. While the 15½ per cent dollar bond to 1991 *for Shell Canada, which was also* priced at par, was trading at 98½-99½ *yesterday, all eyes will* be focused today on the first day of trading of the two-tranche 16 per cent bond to 1986-88 for the World Bank arranged by Salomon Brothers and Deutsche Bank.

Swiss franc foreign bonds shed ½ point in active trading. Bankers said that there was increased concern over infla*tion*

D-Mark foreign bonds declined by ¼ point.

# Danske Bank forecasts higher operating profits

By Hilary Barnes in Copenhagen

DANSKE BANK, the major Danish bank, expects an improvement in operating profits for 1981, but is less cheerful about the outlook for earnings at the net level.

First half operating profits have risen to DKr 244m ($30m) from DKr 216m, and for the *year as a whole they should be* slightly higher. At the net level, however, profits are going to be hampered by rising losses on customer engagements and portfolio adjustments.

The bank plans to raise its subordinated capital by DKr 104m through a rights issue to shareholders. A seven-year bond carrying a coupon of 10 per cent is to be offered on the basis of one bond for eight *shares.*

Half-year earnings fore depreciation, changes in *portfolio* values and foreign exchange adjustments, rose from DKr 215m to DKr 300m. There was a DKr 56m unrealised loss on the foreign exchange value of subordinated loan capital.

Operating income increased by 14.3 per cent, while costs *were restricted to growth of 6* per cent.

⊙ *Danske Sukkedfabrikker* plans a one-for-five scrip issue, and will raise a DKr *66m* issue of convertible debentures.

The group, with interests in sugar refining, food-processing machinery and paper-making, increased earnings before tax from DKr 280m to DKr 338m in the year ending May.

# GHH maintains dividend

By Jonathan Carr in Bonn

*A SHARP boost in foreign de*mand is helping Gutehoffnungshuette (GHH), Europe's largest engineering group, to maintain a 14 per cent dividend—DM 7 per DM 50 share—for its financial year ended June 30.

*In a letter to shareholders,* the director say overall sales *and orders grew fairly strongly* —thanks almost entirely to powerful demand from abroad. No profit figures are given but GHH says the price increases it has made could not wholly compensate for a big rise in costs.

Group order intake rose by 11.1 per cent to DM 17.7bn ($7.08bn) based on a rise of no less than 20.1 per cent to DM 9.9bn in foreign bookings and a reduction of 6.1 per cent at *home.*

This striking boost in foreign orders, which matches developments throughout the West German engineering sector, is caused at least in part by the sharp fall of the D-Mark against *the U.S. dollar and the yen.*

GHH now has orders in hand of DM 16.9bn, up by 5.9 per cent from a year earlier and of which 73.4 per cent is for export against 67.6 per cent.

Group sales for the financial year *were 7.6 per cent higher* at DM 16.6bn, with an increase of 13.2 per cent to DM 8.2bn abroad and one of just 1 per cent at home.

*The progress of the highly* diversified GHH group is usually a reliable guide to the state of the mechanical engineering sector. As a whole, the figures so far indicate that the industry's performance is again *above-average, despite a domes*tic recession which still shows few signs of coming to an end.

# FT INTERNATIONAL BOND SERV[...]

The list shows the 200 latest international bond issues for which an adequate sec[...] exists. For further details of these or other bonds see the complete list of Eurobon[...] will be published next on Monday September 14. Closing price[...]

| U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Amoco 13½ 88 | 75 | [illegible] | [illegible] | [illegible] | −1½ | 16.05 |
| [illegible] 14½ 84 | 125 | 95¾ | 96¼ | [illegible] | −0¾ | 16.37 |
| CIBC 15½ 86 | 75 | 97½ | 97⅞ | −0½ | −0⅞ | 15.95 |
| CNA 15½ 86 | 75 | 92¾ | 93¼ | −0¾ | −1½ | 16.51 |
| CNE 12½ 91 | 100 | 82½ | 82⅞ | −0⅞ | −1½ | 16.51 |
| Citicorp Int. Fin. 15 86 | 150 | 96¾ | 96⅞ | −0⅛ | −0¼ | 16.02 |
| Citicorp O/S 15½ 84 | 175 | 98½ | 99 | −0¼ | −0⅜ | 16.01 |
| Dupont Canada 13½ 91 | 65 | 88¾ | 89¼ | −0½ | −1½ | 15.76 |
| EEC 14¼ 93 | 65 | 92⅞ | 93⅜ | −0½ | −0⅞ | 16.04 |
| EIB 12¼ 89 | 75 | 85¾ | 86¼ | −0⅛ | 0 | 16.01 |
| Eldorado 13½ 86 | 50 | 90⅝ | 91⅛ | −0½ | −0⅜ | 16.14 |
| Elec. de France 13 93 | 125 | 87⅛ | 87⅝ | −0⅜ | −0½ | 16.78 |
| Fed. Bs. D. 12¼ 85 (N) | 50 | 88 | 88½ | −0¼ | −0½ | 16.23 |
| Fed. Bs. D. 13¼ 84 (J) | 40 | 98¾ | 99¼ | −0½ | −0⅝ | 16.20 |
| Fin. Exp. Credit 10½ 85 | 50 | 83¼ | 83¾ | −0¼ | −0⅜ | 16.57 |
| Finland, Rep. of 9½ 85 | 100 | 78 | 78½ | −0⅛ | −0¼ | 16.59 |
| Ford Cr. O/S Fin. 16 84 | 150 | 99¾ | 100¼ | −0½ | +0⅛ | 15.85 |
| Ford Cr. O/S Fin. 16 85 | 150 | 97 | 97½ | 0 | +0⅛ | 16.97 |
| Gaz de France 13½ 86 | 80 | 90½ | 90⅞ | −0½ | −1 | 16.52 |
| GMAC O/S Fin. 12⅞ 88 | 100 | 83 | 83½ | −0½ | −0⅝ | 15.85 |
| GMAC O/S Fin. 14¼ 87 | 100 | 93½ | 94 | −0¼ | −0⅝ | 16.46 |
| Gen. Mts. O/S 11⅞ 87 | 100 | 84⅝ | 85⅛ | −0¼ | −0⅜ | 15.73 |
| Genstar 14¾ 91 | 50 | 95¼ | 95¾ | −0½ | −0⅞ | 15.83 |
| Hiram Walker 16 86 | 50 | 102 | 102½ | −0⅛ | −0⅜ | 15.25 |
| IBM Wld. Trade 12½ 88 | 200 | 91⅝ | 92⅛ | −0⅜ | −0⅛ | 14.47 |
| IBM Wld. Trade 14¾ 84 | 100 | 101 | 101½ | −0⅝ | −0⅝ | 14.12 |
| IBM Wld. Trade 14¼ 85 | 60 | 99⅞ | 100⅜ | −0¼ | −0½ | 14.69 |
| Nat. Bk. Canada 15¾ 84 | 40 | 97⅜ | 97⅞ | +0¼ | +0⅛ | 16.29 |
| Newfoundland 13½ 90 | 60 | 87⅛ | 87⅝ | −0¼ | −1⅛ | 16.30 |
| Nova Scotia 15 91 | 75 | 93¼ | 93⅞ | −0½ | −1⅝ | 16.32 |
| Ontario Hydro 13½ 91 | 100 | 87⅜ | 88¼ | −2⅛ | −2⅛ | 15.96 |
| Pacific Gas Elec. 16 88 | 75 | 100⅞ | 101⅜ | 0 | 0 | 15.71 |
| PSNH Int. Fin. 17 86 | 30 | 97⅜ | 97⅞ | 0 | 0 | 17.75 |
| Queb. Hy. 13 91 (V/W) | 100 | 83⅝ | 84½ | −0⅝ | −0½ | 16.39 |
| Royal Bk. Canada 14 86 | 100 | 94¼ | 94¾ | −0⅝ | −1½ | 15.67 |
| SNCF 13 91 | 75 | 86⅞ | 87⅜ | −0¼ | −0¾ | 15.64 |
| Sth. California 14 87 | 50 | 94⅞ | 95⅜ | −0½ | −0⅝ | 15.32 |
| Stn. California 14¾ 88 | 50 | 95⅜ | 95⅞ | −0⅝ | −0¾ | 15.81 |
| Sven Handlsbk. 13¾ 88 | 45 | 90⅞ | 91⅜ | 0 | −0½ | 16.02 |
| Swed. Ex. Credit 13 86 | 75 | 88 | 88½ | −0½ | −1 | 16.91 |
| Swed. Ex. Cred. 15¾ 86 | 50 | 96⅞ | 97⅜ | −1⅛ | −1⅛ | 16.68 |
| Toronto-Dom. Bk. 14 84 | 50 | 93⅞ | 94⅜ | −0⅛ | −0⅞ | 16.80 |
| Tribune O/S Fin. 14 86 | 50 | 92⅜ | 92⅞ | −0⅝ | −0½ | 16.34 |
| Wells Fargo Int. 15½ 84 | 50 | 98½ | 99 | −0⅛ | −0⅜ | 16.01 |
| World Bank 10⅜ 87 | 300 | 78½ | 78⅞ | −0½ | −1 | 16.23 |
| World Bank 14⅛ 86 | 500 | 93⅛ | 93⅝ | 0 | −0½ | 16.33 |

Average price changes .. On day −0⅜ on week −0¾

| DEUTSCHE MARK STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Asian Dev. Bank 10 91 | 100 | 96⅞ | 97⅜ | −0¼ | −0½ | 10.45 |
| Austria, Rep. of 8¾ 92 | 150 | 86⅜ | 86⅞ | 0 | −0¼ | 10.34 |
| CECA 7¾ 92 | 150 | 85¾ | 86¼ | +0⅛ | −2¼ | 10.03 |
| CECA 10 91 | 120 | 99⅜ | 99⅞ | +0½ | 0 | 10.05 |
| Cll-Honeywell 8¾ 90 | 125 | 86½ | 87 | −0½ | −0⅝ | 10.77 |
| Council of Europe 10 91 | 100 | 97⅜ | 97⅞ | −0⅜ | −0⅞ | 10.25 |
| EIB 8½ 90 | 200 | 88⅝ | 89⅛ | −0⅛ | −0⅜ | 10.46 |
| EIB 10½ 91 | 200 | 99 | 99½ | −0⅜ | −0⅛ | 10.59 |
| ESCOM 9¾ 87 | 100 | 90½ | 91⅛ | 0 | −0⅛ | 11.39 |
| Finland, Rep. of 10 89 | 100 | 96½ | 97 | −0⅛ | −0½ | 10.64 |
| Iberduero SA 9 90 | 100 | 91½ | 92 | +0⅛ | +0½ | 10.42 |
| Ind. Bk. Finland 8½ 90 | 50 | 87⅞ | 88⅜ | −0⅜ | −0⅜ | 10.54 |
| Int.-Am. Dv. Bk. 10 91 | 100 | 96¾ | 97¼ | −0⅞ | −0⅜ | 10.47 |
| Japan Air Lines 8⅞ 87 | 100 | 89⅞ | 90⅜ | −0½ | −1½ | 10.30 |
| Japan Dev. Bk. 7⅞ 87 | 100 | 87½ | 88 | −0⅛ | −0⅞ | 10.49 |
| Kobe, City of 8 90 | 100 | 87⅞ | 88½ | −0⅛ | −1¼ | 10.15 |
| Midland Int. Fin. 8½ 90 | 180 | 89¼ | 89¾ | −0⅜ | −0⅜ | 10.32 |
| Nuclebras 9⅞ 88 | 100 | 85⅞ | 86⅜ | −0½ | −0⅜ | 12.81 |
| OKB 8¼ 92 | 150 | 85¾ | 86¼ | −0⅛ | −0⅜ | 10.44 |
| Oslo, City of 8¾ 90 | 80 | 91½ | 92 | −0⅛ | −1 | 10.25 |
| Renault Acc. 10⅜ 86 | 150 | 96⅞ | 97⅜ | +0⅛ | −0½ | 11.54 |
| Venezuela, R. of 9¾ 90 | 150 | 93⅛ | 93⅝ | 0 | 0 | 10.89 |
| World Bank 8 90 | 700 | 86¼ | 86 | +0⅛ | −0⅛ | 10.56 |

Average price changes On day −0⅛ on week −0⅜

| SWISS FRANC STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Aeroport Paris 6½ 91 | 60 | 91½ | 91¾ | −0⅝ | −1⅝ | 7.75 |
| BFCE 6½ 91 | 100 | 93 | 93¼ | 0 | −0⅛ | 7.53 |
| Bayer Int. Fin. 5¾ 92 | 100 | 89⅞ | 90⅛ | −0¼ | −0¾ | 6.65 |
| Belgelectric Fin. 7¾ 91 | 100 | †95¾ | 96½ | 0 | −0¼ | 7.99 |
| Bergen, City of 6¾ 91 | 40 | 98⅞ | 99⅛ | −0⅜ | −0¼ | 6.89 |
| CECA 6¾ 91 | 80 | 95½ | 95¾ | −0½ | −1⅛ | 7.41 |
| Denmark 5¾ 90 | 80 | 86¾ | 87 | −0⅛ | +0¼ | 7.85 |
| Dome Petroleum 5½ 91 | 100 | 93 | 93½ | +0⅛ | +0⅛ | 6.73 |
| Dome Petroleum 7¼ 90 | 100 | †101½ | 102 | −0½ | −0½ | 6.96 |
| Elec. de France 5¾ 90 | 100 | 84½ | 84¾ | −1½ | −1⅝ | 7.65 |
| Eurofima 5¾ 92 | 80 | †98¼ | 98¾ | −0⅛ | −0¾ | 5.95 |
| Finland, Rep. of 5⅞ 90 | 30 | 85¼ | 85½ | +0⅛ | +0⅛ | 7.96 |
| Franc. Petroles 6½ 91 | 80 | 92 | 92¼ | −0⅝ | −0⅞ | 7.68 |
| Genstar 7 91 | 100 | 100½ | 100¾ | −0⅛ | −1⅛ | 6.90 |
| Int.-Amer. Dv. Bk. 7 91 | 100 | 97½ | 97¾ | −0⅜ | −1⅛ | 7.38 |
| Japan Dev. Bank 5⅜ 90 | 100 | 93¼ | 93¾ | −0¼ | −1 | 6.70 |
| Mt. Blanc Tunnel 5½ 90 | 60 | 86 | 86¼ | −0⅛ | 0 | 7.68 |
| Nevrun 5¾ 90 | 80 | 90½ | 91 | −0⅞ | −1⅝ | 7.19 |
| OKB 7 93 | 100 | 99¼ | 99½ | −0⅛ | −0½ | 7.07 |
| Oslo, City of 5⅞ 90 | 80 | 89 | 89¼ | −2⅛ | −2 | 7.56 |
| Philips Lamps 5¾ 92 | 100 | †87 | 88 | +0⅛ | +0¼ | 6.91 |
| Swed. Ex. Credit 7¾ 91 | 75 | 98 | 98¼ | −0⅛ | +0¼ | 7.52 |
| Trade Dev. Fin. 6⅝ 90 | 50 | 88⅞ | 89½ | +0½ | +1⅞ | 7.86 |
| Voest-Alpine 5¾ 90 | 80 | 85 | 85¼ | +0⅛ | −2 | 8.12 |
| World Bank 6 91 | 100 | †91 | 91½ | −1 | −0⅜ | 7.30 |
| World Bank 7 90 | 100 | 100 | 100⅜ | 0 | −0⅛ | 6.97 |

Average price changes . On day −0⅛ on week −0⅝

| YEN STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Asian Dev. Bk. 8¼ 91 | 15 | 97½ | 98½ | −0⅛ | −0¼ | 8.55 |
| Australia 8½ 88 | 20 | 85½ | 86½ | −0⅛ | 0 | 9.46 |
| EIB 7¾ 89 | 12 | 93¾ | 94⅞ | 0 | +0½ | 8.77 |
| Finland 6.8 88 | 10 | 85⅛ | 85¾ | 0 | 0 | 9.77 |
| Finland, Rep. of 8½ 87 | 15 | 96⅝ | 97⅜ | −0⅝ | −0½ | 9.08 |
| New Zealand 8⅜ 87 | 15 | 97⅛ | 98¼ | 0 | −0¼ | 8.50 |

Average price changes On day −0⅛ on week −0⅛

| OTHER STRAIGHTS | Issued | Bid | Offer | Change on day | Change on week | Yield |
|---|---|---|---|---|---|---|
| Bell Canada 10⅜ 86 C$ | 60 | †82 | 83 | −0½ | −2 | 15.98 |
| CIBC 10¼ 85 C$ | 50 | †91½ | 92½ | 0 | +0¼ | 16.46 |
| CIBC 11¾ 85 C$ | 60 | †83¾ | 84¾ | +0¼ | +0½ | 17.35 |
| Federal Dev. 11½ 90 C$ | 60 | †75 | 76 | 0 | −2 | 17.02 |
| Fst Can. Inv. 10 84 C$ | 60 | †82½ | 83½ | 0 | −0½ | 18.35 |
| R. Bk. Canada 10 86 C$ | 40 | †85 | 87 | 0 | −0½ | 14.22 |

| | Issued | Bid |
|---|---|---|
| Tordom Cpn. 13½ 85 C$ | 30 | 91¼ |
| M. Bk. Dnmk. 9 91 EUA | 25 | *85 |
| SOFTE 8½ 89 EUA | 40 | *84¾ |
| U. Bk. Nwy. 9½ 90 EUA | 15 | *91¼ |
| Algemene Bk. 10¼ 86 Fl | 60 | 93¼ |
| Amro Bank 12 86 Fl | 75 | [illegible] |
| Heineken NV 10 87 Fl | 100 | 92 |
| Nat. Nederlndn. 10 88 Fl | 60 | 93¼ |
| Ned. Midd. Bk. 10 85 Fl | 75 | 93½ |
| Pierson 10½ 85 Fl | 50 | 92½ |
| Rabobank 12 86 Fl | 50 | 99½ |
| Air France 14½ 85 FFr | 200 | 91¼ |
| Bk. America 14½ 86 FFr | 250 | 89¼ |
| Charb'nages 13⅞ 85 FFr | 400 | 88½ |
| EIB 14½ 85 FFr | 300 | 85¼ |
| La Redoute 14⅞ 85 FFr | 125 | 86¼ |
| OKB 14 86 FFr | 400 | 88⅝ |
| Solvay et C. 14⅜ 86 FFr | 200 | 83⅛ |
| Swed. E. Cr. 14⅞ 86 FFr | 250 | †85¼ |
| U. Mex. Sts. 14 85 FFr | 150 | 83 |
| Acona 14 85 £ | 20 | 92½ |
| Beneficial 14¼ 90 £ | 20 | 83⅛ |
| BNP 13½ 91 £ | 15 | 85½ |
| CECA 13½ 88 £ | 20 | 85⅝ |
| Citicorp O/S 13½ 90 £ | 50 | 90⅝ |
| Fin. Ex. Cred. 13⅜ 86 £ | 15 | 91⅞ |
| Gen. Elec. Co. 12¾ 89 £ | 50 | 85½ |
| Hiram Walker 14¾ 86 £ | 25 | 93¼ |
| Privatbanken 14½ 88 £ | 12 | 90⅛ |
| J. Rothschild 14¼ 90 £ | 12 | 92⅛ |
| Royal Trustco 14 86 £ | 12 | 92⅞ |
| Swed. Ex. Cr. 13⅜ 86 £ | 20 | 92¼ |
| Akzo 9¼ 87 LuxFr | 500 | *89½ |
| Euratom 9¼ 88 LuxFr | 500 | *86⅛ |
| Eurofima 10½ 87 LuxFr | 500 | *88¾ |
| EIB 9¾ 88 LuxFr | 600 | *86½ |
| Volvo 9¾ 87 LuxFr | 500 | *85½ |

| FLOATING RATE NOTES | Spread | Bid |
|---|---|---|
| Bank of Montreal 5¼ 90 | 0¼ | 99 |
| BBL Int. 5 86 | 0¼ | 99 |
| BNP 5¼ 88 | †0⅛ | 99¼ |
| Christiania Bk. 5½ 91 | †0¼ | 93¾ |
| Citicorp O/S Fin. 84 | †0 | 99⅜ |
| C. Itoh 5¼ 87 | 0¼ | 99⅛ |
| Co-operative Bk. 6 85 | 0¼ | 99½ |
| Den Norske Credit 6 90 | †0¼ | 98⅜ |
| Genfinance 5¼ 87 | 0¼ | 98⅞ |
| Genfinance 5¼ 92 | 0¼ | 99 |
| Giro und Bank 5¼ 91 | †0¼ | 98¼ |
| GZB 5¼ 92 | †0¼ | 98 |
| Ind. Bank Japan 5¼ 88 | 0¼ | 99 |
| Lloyds Eurofin 6 90 £ | 0¼ | 97¼ |
| Lloyds Eurofin 5¼ 92 | 0¼ | 98¼ |
| LTCB Japan 5¼ 85 | 0¼ | 99 |
| LTCB Japan 5¼ 89 | 0¼ | 99¼ |
| Man. Hanov. O/S 5¼ 94 | †0¼ | 99¼ |
| Merrill Lynch O/S 87 | †0¼ | 100 |
| Midland Int. Fin. 5¼ 92 | †0¼ | 98½ |
| Midland Int. Fin. 9 91 | 0¼ | 98¼ |
| Nacional Fin. 6¼ 88 | 0½ | 98½ |
| Nacional Fin. 5¼ 88 | 0¼ | 97 |
| Nat. Bk. Canada 5¼ 88 | †0¼ | 98¼ |
| Nat. West 5¼ 94 | §0¼ | 97½ |
| Nat. West Fin. 5¼ 91 | §0¼ | 98½ |
| Nat. West Fin. 5¼ 92 | §0¼ | 98¼ |
| Pemex 6 91 | 0¼ | 96⅛ |
| Société Generale 5¼ 91 | 0¼ | 98¼ |
| Sparebanken 6 87 | 0¼ | 97⅛ |
| Svenska Handlsbk. 5 87 | 0¼ | 99¼ |

Average price changes . On day 0[...]

| CONVERTIBLE BONDS | Cnv. date | Cnv. price |
|---|---|---|
| Ajinomoto 5¼ 96 | 7/81 | 933 |
| Bow Valley Inv. 8 95 | 4/81 | 23.12 |
| Canon 6¾ 95 | 1/81 | 829 |
| Credit Suisse 4¾ 93 | 10/79 | 1236 |
| Digicon Fin. 8½ 95 | 10/80 | 29.5 |
| Fujitsu 5½ 96 | 7/81 | 732 |
| Furukawa Elec. 5¾ 96 | 7/81 | 300 |
| Hanson O/S Fin. 9½ 96 | 8/81 | 2.74 |
| Hitachi Cred. Cpn. 5 96 | 7/81 | 1966 |
| Ina Overseas 8¾ 2000 | 4/81 | 42 |
| Inchcape 8 95 | 2/81 | 4.56 |
| Manon Int. Fin. 9 95 | 12/80 | 15.5 |
| Marui 6 96 | 7/81 | 931 |
| Matsushita El. 7½ 95 | 11/80 | 590 |
| Murata 5½ 96 | 7/81 | 2190 |
| NKK 6½ 96 | 7/81 | 188 |
| Ricoh 6¾ 95 | 8/80 | 604 |
| Sumitomo M. Ind. 7 95 | 2/81 | 181 |
| Swiss Bk. Cpn. 6¾ 90 | 9/80 | 200 |
| Taylor Woodrow 8¾ 90 | 1/81 | 4.94 |
| Transco Int. 8¾ 95 | 2/81 | 68 |
| Tricorp 8½ 95 | 12/80 | 31.25 |
| Union Bk. Switz. 5 83 | [illegible] | 70.79 |
| Sharp Cpn. 6½ DM | 9/80 | 595 |
| Uny Co. 6½ 85 DM | 11/79 | 879.3 |

* No information available—previo[...]
† Only one market maker supp[...]

*Straight Bonds:* The yield is the yield t[...] mid-price; the amount issued is in [...] units except for Yen bonds wher[...] *Change on week* = Change over pric[...]
*Floating Rate Notes:* Denominated in d[...] wise indicated. Coupon shown is mi[...] *next coupon becomes effective* Sp[...] six-month offered rate (‡ three-mo[...] rate) for U.S. dollars. C'cpn=Th[...] C.yld=The current yield
*Convertible Bonds:* Denominated in d[...] wise indicated. Chg. day=Change o[...] First date for conversion into sh[...] Nominal amount of bond per s[...] currency of share at conversion r[...] Prem=Percentage premium of the cu[...] of acquiring shares via the bond ov[...] price of the shares.

# U.S. operations support Hoechst as income falls

BY KEVIN DONE IN FRANKFURT

HOESCHT of West Germany, one of the world's biggest chemicals companies, appears to have weathered the worst of the recession, despite a fall of nearly 23 per cent in group pre-tax profits in the first half.

They fell to DM 702m ($280m) for the first six months of this year from DM 907m a year earlier.

The profitability of group operations in the U.S. recovered strongly after last year's loss of $10m, but profits of several European subsidiaries fell markedly in the first half.

Hoechst's worldwide turnover in the first half rose by 14.2 per cent to DM 17.15bn, but the increase was largely due to price increases and movements in exchange rates. The growth in the volume of sales was limited to about 2 per cent and was achieved in foreign markets, chiefly in pharmaceuticals, fibres and process plant sectors.

The continuing recession in the West German economy is still hitting domestic sales. Sales volume of the parent company in the depressed home market fell by 1 per cent with weak demand hitting in particular plastics, inorganic and organic chemicals and dyestuffs.

Improved foreign sales allowed a 1 per cent increase in the volume of export sales for the parent company in the first six months, while export turnover rose by 7.7 per cent to DM 3.3bn. Parent company turnover overall rose by 4.6 per cent to DM 6.1bn.

Parent company pre-tax profits in the second quarter of DM 208m were virtualy back to the DM 210m a year earier.

First quarter profits were well down this year, however, as the German chemicals industry was still enjoying boom conditions in the first three months of 1980. As a result parent company pre-tax profits for the first half of the year fell 19.8 per cent to DM 420m from DM 524m a year ago.

A gradual recovery in demand allowed Hoechst to work plants at an average of 79 per cent in the second quarter compared with 77 per cent in the first quarter this year, but the company's stocks rose too in the second quarter. Capacity utilisation in the first six months of 78 per cent was still well below the average of 83 per cent for the corresponding period last year.

The company's improvement this year has been helped by stronger seasonal demand in the summer months than last year.

# Best ever net profit for Nippon Seiko

By Richard C. Hanson in Tokyo

NIPPON SEIKO (NSK), Japan's largest producer of bearings and machine parts, has reported a 61.8 per cent jump in consolidated net profit to a record Y13bn ($55.7m) for the year ended April 30, on consolidated sales ahead by 10.8 per cent to Y220.3bn ($943.5m).

With nearly half of its production now at overseas plants, NSK's consolidated statement reflects a successful effort at cutting inventories at subsidiaries. Sales to the motor industry (40 per cent of the total) were up a healthy 10 per cent and better gains were had in parts for machine tools (up 17 per cent) and bearings for electrical machinery (up 20 per cent).

NSK has been helped by the worldwide boom in home videotape recorders which use highly advanced miniature bearings.

The company sees some slowing in supplies to the motor industry this year, but sales to machine tool makers and electrical companies are expected to remain strong.

Net profits for the current year are forecast at Y14bn, an 8 per cent rise, and consolidated sales are expected to gain 9 per cent to Y240bn.

As reported in June, net profits on a parent company basis rose by 15.2 per cent to Y7.56bn in 1980-81 on sales up by 9 per cent to Y183bn.

# Earnings setback for West LB

BY STEWART FLEMING IN FRANKFURT

WESTDEUTSCHE Landesbank, the second largest West German banking organisation, which last year had to pass its dividend, has reported a further decline in earnings in the first half of 1981.

Moreover, the bank says that if it is to avoid reporting a heavy loss this year it may be forced to change the basis on which it values its DM 8.6bn securities portfolio. This decision cannot be taken until the end of the year.

The upsurge in interest rates has bitten deeply into the bank's earnings, depressing them from DM 130m to DM43m in the first half of the current year.

One of the main reasons for the setback has been the 31.8 per cent rise in interest and commissions paid, compared with an increase of only 25.1 per cent in interest and commission earnings.

The banks says that the cost of refinancing the almost unchanged volume of mismatched funds was a major impediment to earnings development. At the end of last year West LB's mismatched loans, that is fixed term loans financed with more expensive floating rate funds, totalled some DM 10.8bn.

The rise in interest rates of around three percentage points in the course of the current year has considerably added to the pressures on the West German commercial banks, particularly because of the impact this will have on valuing fixed interest securities in the banks' books.

The commercial banks generally avoid this problem in their mid-year earnings by reporting results excluding securities positions. West LB, however, would appear to be anticipating that unless interest rates decline sharply from current levels it could face securities write-offs of more than the DM 200m reported last year.

These write-offs arise from the German accounting convention of valuing securities at market value — "the lowest value principle." The ability to choose this valuation has in the past been regarded as a demonstration of the banks' strength.

Already, however, a number of banks have chosen to carry some securities holdings as investments, and on this basis they can value their securities at book value and so avoid heavy write-offs.

# CBC finance arm shows strong rise

*By Our Sydney Correspondent*

THE FINANCE ARM of the Commercial Banking Company of Sydney, Commercial and General Acceptance (CAGA), has joined the list of major financiers to post strong returns for the year to June with the announcement of a 39.2 per cent profit increase from A$4.04m to A$5.62m (U.S.$6.4m).

Total income advanced by 24.2 per cent from A$90.6m to A$112.6m including the recovery of A$4.5m in interest previously treated as non-accrual and not brought to account. Pre-tax profit increased by 40.8 per cent from A$7.7m to A$10.8m. Tax took A$5.6m against A$3.65m. Despite soaring interest rates, CAGA's interest on borrowings rose by a modest 25.9 per cent from A$60.3m to A$75.9m.

The profit rise matches recent results from CBFC, which recorded a 35 per cent rise in earnines to A$10.7m and Network Finance which improved profits by 32.5 per cent to A$2.57m. But even these strong results appear lean in the light of Citicorp's 132 per cent leap in earnings to A$9.5m.

CAGA's net receivables rose by 16.6 per cent from A$684m to A$797.2m in the 12 months. The biggest growth area was commercial loans which jumped by almost 30 per cent from A$93.6m to A$121.3m.

● Commercial Banking Company shareholders yesterday voted overwhelmingly at the annual meeting to approve the merger with the National Bank of Australasia. The merger has already been approved by the federal government and the issue of formal orders by the Supreme Court of New South Wales is all that is required for its completion.

Under current plans the orders will be delivered by October 1 but the integration of the two groups could take two years to complete.

# Pep Stores agrees terms for I L Back purchase

BY JIM JONES IN JOHANNESBURG

PEP STORES, the South African clothing and soft goods retail chain, has agreed to pay 6.68 cents each, or R6.23m (U.S.$6.5m) for the 93.4m shares owned by Rembrandt, the industrial group, in I. L. Back, the loss-making clothing manufacturer. Only 3 per cent of Back's 96m ordinary shares is held by the public. The remaining 97 per cent is owned by Rembrandt, which has funded the company's operating losses since acquiring a controlling interest in 1976.

It was announced earlier this month that negotiations on such a deal were under way.

In addition to purchasing the Rembrandt equity stake, Pep has taken on R8.5m in loan claims against Back, held by Rembrandt. Pep has undertaken to repay this amount in three equal annual non-interest-bearing instalments, starting in August, 1984.

The R6.23m equity purchase price can be paid, at Pep's option, in cash, or by the issue of R1.99m of 14 per cent redeemable preference shares in Pep with the balance of R4.25m to be paid in three equal annual interest-free instalments, also starting in August, 1984.

Pep is offering Back minority shareholders 7 cents for each of their shares. This compares, however, with the 40 cents at which Back shares were traded on the Johannesburg market before trading was suspended with the negotiations between Pep and Rembrandt. When trading resumed on Monday this week Back shares changed hands at 35 cents each.

# Zimbabwe sugar producer sees substantial downturn

BY OUR SALISBURY CORRESPONDENT

SIR RAY STOCKIL, the chairman of Zimbabwe's largest sugar producer, Hippo Valley Estates, has warned that profitability and dividends are likely to fall substantially in 1981-82. The company which last year produced 62 per cent of the country's sugar cane output, is particularly vulnerable to further cost escalation at a time of steeply falling world sugar prices.

In 1980-81 the price obtained for export sugar of Z$350 (US$470) a tonne exceeded average production costs for the first time in five years. Group operating profits jumped from Z$5.5m to Z$24.6m chiefly reflecting the rise in the sugar price internationally but also the removal of economic sanctions at the end of 1979.

Because of the inability of Zimbabwe Railways to move all sugar to the ports, Hippo Valley's exports are being sent through the Mozambique port of Maputo but since the milling season only 60 per cent of production has been transported and by mid-July the Hippo Valley had stockpiled more *than 50,000 tonnes of sugar.*

The Zimbabwe and Swaziland sugar industries are spending almost $1.8m on improvements to the bulk sugar terminal at Maputo. Hippo Valley Estates is controlled by the South African-based Anglo American group.

# WORLD STOCK MARKETS

# Further early Wall St decline

Reflecting the market's pessimistic outlook for interest rates, Wall Street drifted lower in moderate early trading yesterday.

The Dow Jones Industrial Average, which lost 7.42 last Friday, was 4.38 easier at 932.55 at 1 pm. The NYSE All Common Index receded 19 cents to $76.81, while declines outscored gains by a two-to-one margin. Turnover contracted to 28.77m shares from Friday's 1 pm level of 33.92m.

*Analysts said investors fear* that the larger-than-expected increase in the money supply, announced at the end of last week, will encourage the Federal Reserve to maintain its tight rein on monetary policy, which will in turn lead to continued high interest rates.

Investors are also concerned about the outcome of the record U.S. Treasury Bill auction taking place yesterday, with $9bn in three- and six-month bills being offered.

*Declines were spread across all* sectors. Among Blue Chips, **International Paper** shed ½ to $47, **U.S. Steel** ⅜ to $28⅜, **ATT** ⅛ to $58⅜, **IBM** ⅛ to $58, **Merck** ¾ to $85¼ and **Sears** ¼ to $17¼.

Oil stocks were the one strong sector in the market, buoyed by *hopes that the Opec ministers'* meeting this week will end the world oil glut, and that the Reagan Administration will decontrol all natural gas prices.

**Mobil** rose ⅜ to $31⅛, **Standard Oil California** ⅛ to $45⅞, **Atlantic Richfield** ½ to $53⅛, **Standard** *Indiana $1 to $63 and Gulf ½ to* $41½.

**Norton Simon** was the most active issue, up ⅛ to $15⅞. It plans to buy back up to 5m shares.

**Garfinckel Brooks Brothers** climbed $8⅞ more to $52½. It has rejected a takeover *bid from* Allied Stores.

**Closing prices for North America were not available for this edition.**

THE AMERICAN SE Market Value Index eased 0.27 to *377.82* at 1 pm. Volume 3.32m shares.

## Canada

Markets presented a mixed appearance at midday after fairly active trading. The Toronto Composite index slipped 1.9 to 2,308.7, while Golds declined 51.8 to 4,071.5, but Oil and Gas gained 9.5 to 5,065.4 and Transportation 59.6 to 3,475.9.

## Tokyo

Despite apprehension over possible margin trading curbs, the market was inclined to improve afresh, backed by further foreign buying, although the trading pace was slower.

The Nikkei-Dow Jones Average *added 42.74 at 8,019.14 and the* Tokyo SE index 1.38 at 603.92, both setting new all-time highs. Rises on the First Market section outpaced falls by 366 to 231 but after trading volume reduced to 380m shares from last Friday's 520m.

Constructions, Synthetic Fibres, Machine Manufacturers, Vehicles, Pharmaceuticals and some of the large-capital issues were favoured, but front-runners **Hitachi**, **Toshiba** and **Fujitsu** eased on profit-taking, as did high-priced Light Electricals.

**Nissan Motor** put on Y30 to Y1,170, **Ajinomoto** Y19 to Y595, **Takeda Chemical** Y8 to Y919, **Sato** Y12 to Y217, **Toray** Y8 to Y497 and **Yamanouchi Pharmaceutical** Y30 to Y1,530.

In contrast, **Victor Japan** weakened Y210 to Y4,030 in Light Electricals following reports that its video disc sales will be delayed.

## Germany

There was some renewed selective purchasing by domestic and foreign professional investors, but trading was generally light with the overall market ending mixed with an easier bias. The Commerzbank index lost 2.9 to 730.3.

Among Chemicals, lower first-*half profits took Hoechst down to* DM 126, but the shares recovered to end only 30 pfennigs off on the day at DM 126.80. **BASF** declined DM 1.10 but **BAYER** rose DM 1.40.

Elsewhere, Preussag gained DM 3.90 and Veba DM 2.90.

## Australia

Hopes of a generally conservative Federal Budget being anounced today helped markets to show a firm bias yesterday. The Australian All Ordinaries index edged up 1.8 to 657.3.

Overseas buyers, who brokers say would welcome a tough stance in the Budget, continued to move into the top end of the market.

Mining issue **MIM** was a particular target of offshore buyers as the stock added 10 cents at A$4.38 for a rise of 68 cents in two weeks. Elsewhere, **CSR** advanced 18 cents to A$5.68 and overall market leader **BHP** 10 cents to A$13.35.

## Hong Kong

An easier tendency prevailed in quiet trading yesterday, although speculative interest lifted some second-line issues thought to be possible take-over targets.

Brokers said the sharp rise in U.S. money supply, announced last Friday, and the prospect of a stronger U.S. dollar as a result, had dampened share trading in Hong Kong. The Hang Seng index, however, was only 5.48 easier at 1,689.27. Turnover on the four stock exchanges decreased to HK$326.47m from Friday total of HK$479.94m.

Speculative interest was particularly strong in **Sun**, a construction company, which advanced HK$2.60 to HK$11.50.

Among Properties, **Tai Cheung** moved ahead 40 cents to HK$6.40 and **Swire Properties** 20 cents to HK$12.90. **China Light** improved 50 cents to HK$13.00.

**Shaw Brothers** featured by falling from an opening of HK$30 to touch HK$18 on news that talks over the redevelopment of its studio premises had broken down. However, the shares subsequently picked up to close at HK$24.50. Trading in the shares was suspended last week.

## Singapore

Widespread selling pressure further depressed the market, with the Singapore Straits Times Industrial Index retreating 21.88 *more to 736.24.*

Hit hard among Banks were Government-controlled **DBS** falling 35 cents to S$7.65; **OCBC**, the only member of the "big four" local banks yet to report first-half earnings, dipping 40 cents to S$10.00; and **Malayan Banking**, slipping 35 cents to S$6.50.

**Selangor Properties** fell 25 cents more to S$7.50 and **Singapore Land** 80 cents to S$10.40.

Foreign Investors are ignoring the Singapore market for the time being as strength in the Tokyo market takes the limelight, a broker noted.

**Hotel Tai-Pan**, which made its market debut yesterday, was the main feature with about 1.1m of its S$1 shares transacted. The company recently went public through an issue of 22.5m shares at S$1.30 each. The market price hit S$1.47 before closing at S$1.37.

## Johannesburg

Gold shares were mainly modestly lower after light trading. Heavyweight producers had **Randfontein** down 150 cents at R55.00 and **President Brand** off 50 at R46.50, while cheaper-priced counters shed between five and 25 cents.

Mining-Financials were easier in places, but other Metals and Minerals firmed slightly, where traded. **Impala Platinum** rose 40 cents to R9.60 on the annual results.

Industrial gains outnumbered losses almost three-to-one.

# 'Surplus of coffee only 6m bags'

By Our Commodities Staff

THE 1982-83 world coffee surplus is likely to be cut to 6m bags (60 kilos each) as a result of last month's Brazilian frost, Merkuria, the French commodity house, said yesterday.

It forecast that the Brazilian crop in that year would be down to 16.5-18.5m bags from the 30.5m expected previously.

Although the current crop was not significantly affected, export availability would be hit in 1981-82 as well as 1982-83, Merkuria said.

This was because the Brazilian authorities took forecast availabilities in the next crop year into account when setting export targets for the current year. It put the effective 1981-1982 world surplus at 9.5m bags.

After losing ground during the morning, coffee prices finished higher on the London futures market yesterday. The November position, which fell to £1,022 a tonne early on, ended the day £22.50 up at £1,056 a tonne.

# New Orleans exchange head

By Nancy Dunne

THE New Orleans commodity exchange, which began trading in milled rice futures on April 9 and followed with contracts for rough rice and short-staple cotton, has a new president.

He is Mr Robert L. Martin, departing Republican commissioner with the Commodity Futures Trading Commission and former chairman of the Chicago Board of Trade.

Mr Martin has said he will attempt to secure the "visibility, respectability and credibility" of the new exchange.

# Pakistan sets cotton target

ISLAMABAD — The Pakistani Government has announced a cotton production target of 4.6m bales in fiscal 1981-82, 4.5 per cent up on actual cotton production of 4.3bales in 1980-81.

The target is to be achieved from more than 2m hectares of land sown to cotton.

Cotton is Pakistan's biggest foreign exchange earner and to encourage growers to achieve the new target, the Government also raised the support price of seed cotton of various varieties.

# Metals easier as pound rises

BY JOHN EDWARDS, COMMODITIES EDITOR

THE STRONGER tone of sterling against the dollar brought a generally easier trend in base metal markets on the London Metal Exchange yesterday.

Even the news that Peruvian copper workers had started an indefinite strike over a pay claim failed to boost prices. Cash wirebars closed £6.5 lower at £1,015.5 a tonne with buyers showing a distinct lack of interest.

The strike in Peru, according to Reuter reports from Lima, paralysed work at the Cuajone and Toquepala mines and has also forced closure of the southern Peru smelter at Ilo.

Peru is the world's seventh largest copper producer, and the fifth biggest exporter, but expansion of production in recent years has been marred by a series of industrial disputes. Southern Peru normally produces 280,000 tonnes of copper annually, half of Peru's total output.

It is thought the stoppage could be lengthy since it is understood to be politically inspired. However, the General Workers' Confederation, the largest union in Peru, has decided to postpone a general strike planned for this week.

However, the London copper market displayed little interest, after Friday's rise in price to the highest level for 17 months, and business was mainly confined to mild profit-taking sales.

Copper stocks held in LME warehouses rose last week by 725 tonnes, lifting total holdings to 114,725 tonnes. Tin stocks also went up by 1,095 tonnes to 10,340; aluminium by 4,650 to 83,175; and LME silver holdings by 60,000 to 27,550,000 ounces.

Lead stocks fell heavily by 1,875 to 41,775 tonnes; zinc by 50 to 84,975; and nickel by 130 to 2,460 tonnes.

However, both lead and zinc prices lost ground on the stronger pound and lack of buying interest encouraging profit-taking from the peaks reached last week.

● Sir Ronald Prain will chair the Third International Conference on Present and Future Markets for Copper to be held in London on October 14.

Organised by the Copper Development Association and Commodities Research Unit, in conjunction with Deutsches Kupfer-Institut, the conference will include a paper by Mr J. C. Mapoma, director general of Zimco, on the future supply of copper.

Trends in consumption will be reviewed by Mr Robert Perlman, Commodities Research Unit, and there will be special sessions on the use of copper in marine engineering and in energy and heat recovery systems.

# China grain crop up to 'disappointing' 60m tons

PEKING — China's summer grain crop totalled 60m tonnes, 3m up on last year despite a fall in the area sown, the New China News Agency reported.

But foreign agricultural sources said the 1980 harvest was unusually poor and that this year's crop was also disappointing.

It was claimed that given the poor summer crop, the chances of a good overall harvest were slim, although it could slightly exceed last year's mediocre 318.2m tonnes. There was a prolonged drought in north China that started soon after the crop was sown last autumn and lasted until late June.

In Moscow the long hot spell which caused damage to Soviet grain crops appears to be over, according to the meteorological office's latest weather forecast.

Meanwhile the U.S. Agriculture Department announced that private U.S. exporters sold 350,000 tonnes of wheat and 350,000 tonnes of maize to the Soviet Union for shipment before September 30, 1981.

USDA said so far sales in the fifth year of the U.S.-Soviet grain agreement, which expires on September 30, total 3.5m tonnes of wheat and 5.75m tonnes of maize.

In New Delhi, Indian Prime Minister Indira Gandhi defended her Government's recent decision to import 1.5m tonnes of U.S. wheat despite official forecasts of a bumper foodgrains crop this year.

She said there were reports of widespread hoarding

Reuter

# Truce with France in apple war

By Our Commodities Staff

A GOOD level of understanding has been reached between the British and French apple industries, Mr Dan Neuteboom, chairman of the National Farmers' Union's apple and pear committee, said in London.

Last year the two sides were in "full battle cry," he said, as the English fought to repel alleged French attempts to swamp the UK market with their golden delicious variety. But at the beginning of the new English apple season, Mr Neuteboom said it was now realised there was room for both in the market place.

He warned, however, that the level of imports still needed careful monitoring. "If we want to have any degree of self-sufficiency in food production left in this country our Government and people should support our agricultural products," he said.

In an attempt to combat better French marketing, notably through the "le crunch" campaign, British growers last year started the Kingdom marketing scheme supported by advertising using the "Polish up Your English" slogan. Initially this was concentrated on the cox variety but this year is being extended to cover also bramley and spartan apples and conference and comice pears.

# Fewer but bigger slaughterhouses

By Our Commodities Staff

THE TREND towards larger operating units in the British slaughtering industry is confirmed in a new report* published by the Meat and Livestock Commission (MLC). The number of slaughterhouses making levy payments to the commission in 1980/81 fell to 1,135 a drop of 96 in a year and 419 in three years—and is now thought to be below 1,100.

But average throughput rose to 11,594 cattle units from 10,182 in 1979/80.

The report says the biggest decline was in plants killing fewer than 1,000 cattle units a year. In the 20,000-50,000 units range the number was practically unchanged, while the number in the 50,000-plus sector actually increased.

* The Slaughtering Industry in Great Britain 1980-81, price £2.

SUGAR MARKET

# Caribbean dilemma

BY CANUTE JAMES IN KINGSTON

WHILE THEY argue with the European Economic Community for higher prices for cane sugar which they ship under the Lome Convention, most commonwealth Caribbean producers are being embarrassed by continuing failure to meet production targets.

With the crop ended in almost all the producing countries in the region, it appears that production in the major areas, which totalled 896,000 tonnes last year, will this year be about 835,000 tonnes.

In a recent report the Caribbean Development Bank described last year's output as being "the lowest ... in 30 years." Industry members have described this year's harvests as "catastrophic."

The decline could not have come at a worse time for the sugar exporters. Not only are they shipping less but, except for exports to Britain under the sugar protocol, they are getting less for it.

The slump this year has affected even the usually efficient Barbadian industry, one of the two (Belize is the other) to show an increase in production last year.

Based on last year's output of 131,000 tonnes, which was 17,000 tonnes more than the previously year, the Barbadian industry had hoped at least to reach this level again.

The season got off to a poor start when reaping was delayed because of a labour dispute. There was also a shortage of labour for the fields, forcing the Government to seek temporary workers from neighbouring islands.

When harvesting did get under way, unseasonally heavy rains flooded fields, leaving hundreds of tonnes of canes unreaped. Consequently, the crop is expected to produce about 112,000 tonnes this year, 19,000 tonnes less than last year.

However, nowhere in the Caribbean has the industry suffered as severe a setback as in Trinidad.

The industry here had set a production target this year of 150,000 tonnes, 3,000 tonnes more than was produced in 1978. Last year's output totalled 107,000 tonnes, and although this year's target may have appeared ambitious, it is hardly likely that real production of 88,000 tonnes could have been foreseen.

As in several other countries, the weather played havoc with the Trinidadian sugar industry.

The cane sugar industry in Trinidad is due for a shake-up. Already thought is being given to concentrating solely on satisfying local demand, and dismantling what is left of the export industry.

Satisfying the local market, however, has not been so easy in Jamaica, where sugar has been short this month. Output this year is now expected to be 200,000 tonnes, 45,000 tonnes below last year.

This provided enough to meet commitments of 120,000 tonnes to the EEC but the authorities have been left with the rest to meet local market demands of 112,000 tonnes.

The industry here has been dogged by years of inefficiency, compounded this year by a strike of field and factory workers at the height of the harvest. The industry has estimated that the loss on this crop is $43m, bringing accumulated losses in the industry to $112m.

Although no figures have been published on this year's first harvest in Guyana, the weather has also played havoc for the second consecutive year. Production is not expected to be above 269,000 tonnes for the year.

The first crop was expected to yield 135,000 tonnes, but the International Monetary Fund, which recently significantly increased loans to Guyana in the face of increasingly poor performances by the main sectors of the economy, said the sugar industry had been hit by unseasonal rains and delays in the deployment of agricultural machinery.

The fortunes of the industry are not expected to be much better in the smaller producing countries such as Belize, which last year produced 103,000 tonnes, and St Kitts Nevis, 35,000 tonnes.

Most of the producers are caught in a vicious circle—they need money to replace and retool decades-old and inefficient factories and production methods, but are expecting to earn this money from the industry itself. Falling production and low market prices are working against them.

It appears that the cane sugar industry in the Commonwealth Caribbean will continue to suffer from the same ills which the Caribbean Development Bank describes: "Bad weather, widespread occurrence of pests, disease, labour difficulties, shortage of necessary field and factory supplies, rising production costs and poor management."

# Brock 'confident' for Australian lamb

BY PATRICIA NEWBY IN CANBERRA

MR WILLIAM BROCK, the U.S. special trade representative, said yesterday he was confident the issue of countervailing duties on American imports of Australian lamb would be solved satisfactorily.

The U.S. recently decided to impose a 6.81 per cent countervailing duty on the lamb. One reason was that it was subsidised through government-run promotion.

Australia has asked that the case be subject to an injury test, in the confident belief no injury could be proved to American lamb producers. The Government and sheepmeat producers have also vehemently refuted claims that lamb production is subsidised.

Under American Law, however, there is no need for claimants, in this case wool brokers, to show injury, because Australia is not a signatory to the GATT subsidies and countervailing duties codes which require such injury tests.

Australia has not signed the appropriate codes because some current government export development and expansion schemes would not be allowed to continue. However, Australia is moving towards ending the schemes and signing the codes.

The U.S. decision on the A$6m lamb trade will be known next month. Meat producers are worried that if Australia loses this case, countervailing duties may be applied to the much bigger beef trade.

Meanwhile, Australia plans to review its meat inspection procedures and penalties for breaching them, following the discovery in the U.S. of horsemeat in a shipment that purported to be Australian beef.

Ironically the scandal, which is threatening Australia's entire A$800m beef trade with the U.S. comes when criticism about excessive meat inspection in the country has been growing.

Police are still investigating how the horsemeat could have been substituted for beef which apparently came from the Profreeze Meatworks in Melbourne.

Mr Peter Nixon, the Primary Industry Minister, said yesterday inspection procedures would be tightened and urgent action taken to increase penalties for breaking the law. The Cattle Council of Australia has described as "totally inadequate" the current fines of A$2,000 for breaches of the regulations.

He said reports from the U.S. indicated a slow-down in demand for Australian beef since the horsemeat was discovered in California but he hoped Australia's good reputation over 20 years would eventually save the market.

Mr Des Crowe, the Cattle Council's president, said at the weekend that Australia could kiss goodbye to a beef industry if the U.S. market was lost.

# U.S. protests at EEC policy on subsidies

THE U.S. was "willing to try almost anything" to convince the European Economic Community to change its agricultural subsidies policy, according to Mr William Brock.

He said the disruption caused by the export of subsidised agricultural surpluses was threatening the whole world's trading system.

Mr Brock, who is visiting Australia for talks on trade issues, met Mr Doug Anthony, the Minister for Trade and Resources, and Mr Malcolm Fraser, the Prime Minister.

Mr Brock and Mr Anthony said their countries would work together to oppose EEC policy on the accumulation of surpluses which were then "dumped" on third markets.

The U.S. was not questioning the EEC's right to set its own domestic policy.

# BRITISH COMMODITY MARKETS

## BASE METALS

Base-metal prices lost ground on the London Metal Exchange influenced by the strength of sterling. COPPER fell from £1055 3-months to a low of £1041 before closing at £1046 despite news of widespread strikes by copper miners in Peru. The rise in sterling and the decline in copper unsettled LEAD, finally £453, after £449, and ZINC, which came under heavy stop-loss selling to close at £535.5. ALUMINIUM closed at £718, and NICKEL at £3355. TIN was finally £7855.

| COPPER | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Wirebars | | | | |
| Cash | 1082.5-3 | —7 | 1015-6 | —6.5 |
| 3 months | 1054.5-5 | —5.5 | 1045-6 | —7.25 |
| Settlem't | 1023 | —7 | — | ..... |
| Cathodes | | | | |
| Cash | 1024-5 | —6.5 | 1013-5 | —7 |
| 3 months | 1037-8 | —6 | 1038-.5 | —6.25 |
| Settlem't | 1025 | —7 | — | ..... |
| S. Prod | — | | *80-5 | ..... |

Amalgamated Metal Trading reported that in the morning cash wirebars traded at £1023; three months £1055, 54, 55, 54.5. Cathodes: Three months 1048. Kerb: Wirebars, three months £1053, 52.5, 52, 51. Afternoon: Wirebars, three months £1041, 42, 43, 42.5, 42, 42.5, 43, 46, 46.5, 47, 46.5, 46, 45.5, £1038. Kerb: Wirebars, three months £1038. Kerbff Wirebars, three months £1047, 46, 45, 45.5, 46. Turnover: 18,775 tonnes.

| TIN | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| High Grade | £ | £ | £ | £ |
| Cash | 7765-70 | +12.5 | 7740-50 | —10 |
| 3 months | 7865-70 | +15 | 7850-2 | +.5 |
| Settlem't | 7770 | +10 | — | ..... |
| Standard | | | | |
| Cash | 7865-70 | +12.5 | 7740-50 | —10 |
| 3 months | 7850-5 | +15 | 7850-2 | +.5 |
| Settlem't | 7770 | +10 | — | ..... |
| Straits E. | $33.40 | —0.11 | | ..... |
| New York | — | ..... | | |

Tin—Morning: Standard, cash £7770; thre months £7870, 65, 70. Kerb: Standard, three months £7865. Afternoon: Standard, thre months £7850, 65, 53, 55, 50. Kerb: Standard: three months £7850. Turnover: 2,380 tonnes.

| LEAD | a.m. Official | + or — | p.m. Unofficial | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 465.5-6 | —.25 | 455.5 | —6.75 |
| 3 months | 464-.5 | —.25 | 454-.5 | —6 |
| Settlem't | 466 | —.5 | | |
| U.S. Spot | — | ..... | *41 | ..... |

Lead—Morning: Cash £466, 67, 66, 65.75; three months £469, 68, 66, 65, 66, 66.5, 64.5, 64. Kerb: Three months 66, 66.5, 66, 64.5, 64. Kerb: Three months £464, 63.5, 64, 63, 61, 62. Afternoon: Cash £455.5; thre months £455, 53, 52, 51, 50, 49, 50, 51, 52, 53, 52, 51. months £455, 54, 53. Turnover: 1,800 tonnes.

| ZINC | a.m. Official | + or — | p.m. Unoffici'l | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Cash | 525.5-6.5 | —8.5 | 519-20 | —9.5 |
| 3 months | 540.5-1.5 | —7.5 | 535-4 | —9.75 |
| S'ment | 526.5 | —8.5 | | ..... |
| Primw'ts | — | — | *46.5-8.75 | ..... |

Zinc—Morning: Three months £548, 46, 45, 41, 38, 40, 41. Kerb: Three months £539, 38, 38.5. Afternoon: Three months £532, 31, 29, 28, 29, 30, 32, 31, 32, 33, 34, 35, 33, 34, 34.5, 35, 34.5, 34. Kerb: Three months £534, 35, 34, 33.5. Turnover 11,025 tonnes.

| Aluminm | a.m. Official | + or — | p.m. Unoffici'l | + or — |
|---|---|---|---|---|
| | £ | £ | £ | £ |
| Spot | 697-9 | +11 | 692-4 | —.5 |
| 3 months | 722-.5 | +10 | 717.5-8.5 | +1.5 |

Aluminium—Morning: Three months £724, 23, 22.5, 23, 20, 21, 22, 21.5, 22. Kerb: Three months £721, 20. Afternoon: Three months £715, 14, 15, 16, 17, 18, 15.5, 15, 16, 17, 18, 17, 18. Kerb: Three months £718, 17, 18.

Turnover: 13,025 tonnes.

Nickel — Morning: Three months £3395, 3400, 3395, 90. Afternoon: Three months £3370, 60, 50, 45, 40, 45, 50, 55. Turnover: 648 tonnes.

| NICKEL | a.m. Official | + or — | p.m. Unoffici'l | + or — |
|---|---|---|---|---|
| Spot | 3340-50 | —18.5 | 3310-20 | —27.5 |
| 3 months | 3385-90 | —17 | 3360-70 | —12.5 |

* Cents per pound. ‡ M$ per kilo. † On previous unofficial close.

## SILVER

Silver was fixed 18.95p an ounce lower for spot delivery in the London bullion market yesterday at 496.7p. U.S. equivalents of the fixing levels were: spot $8.97, down 34c; three-month $9.39, down 34c; six-month $9.8220, down 34.5c; and 12-month $10.56, down 35c. The metal opened at 499½-504½p ($9.00-9.10) and closed at 497-502p ($9.05-9.15).

| SILVER per troy oz. | Bullion fixing price | + or — | L.M.E. p.m. Unoffic'l | + or — |
|---|---|---|---|---|
| Spot | 496.70p | —18.9 | 499.0p | —6.5 |
| 3 months | 513.60p | —18.5 | 515.5p | —9.25 |
| 6 months | 531.60p | —18.5 | — | ..... |
| 12months | 564.10p | —18.5 | — | ..... |

LME — Turnover 63 (142) lots of 10,000 ozs. Morning: three months £515, 15.5, 14.5, 14. Kerbs: three months 513.5, 13, 14. Afternoon: three months 511, 12, 16, 15.5, 16. Kerbs: three months 516, 15, 14, 13, 14.

## COCOA

Futures initially rallied on fresh dealer support but later eased on stronger sterling to close at the lows. Actuals business continued to be ignored, report Gill and Duffus.

| COCOA | Yes'rday's Close | + — | Business Done |
|---|---|---|---|
| Sept | 1225-28 | +17.0 | 1240-25 |
| Dec | 1255-56 | +13.0 | 1270-55 |
| March | 1275-77 | +15.5 | 1288-74 |
| May | 1278-80 | +17.5 | 1290-78 |
| July | 1280-82 | +20.5 | 1287-80 |
| Sept | 1288-92 | +22.5 | 1300-290 |
| Dec | 1295-302 | +22.0 | — |

Sales: 2,565 (2,241) lots of 10 tonnes.

ICCO Futures—Daily price for Aug 14: 99.36 (99.58): five-day average 100.82 (101.27).

## COFFEE

Despite early indications initial losses were registered in light volume and mixed dealings, reports Drexel Burnham Lambert. A stronger pound had very little impact but the market responded to New York as losses were erased, and apparent short covering operations lifted values to the highs at the close.

| COFFEE | Yesterday's Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| Sept | 1052-58 | +14.5 | 1068-21 |
| Nov | 1055-57 | +22.5 | 1058-22 |
| Jan | 1061-63 | +17.8 | 1060-27 |
| March | 1060-65 | +12.0 | 1060-33 |
| May | 1060-70 | +6.0 | 1045-35 |
| July | 1060-70 | +7.5 | 1050-43 |
| Sept | 1060-75 | +5.5 | — |

Sales: 2,571 (4,812) lots of 5 tonnes.

ICO Indicator prices for Aug 14 (U.S. cents per pound): Comp. Daily 113.84 (115.00): 20-day average 112.84 (112.01).

## GRAINS

Wheat opened lower and on lack of selling interest traded higher before news of better than expected quality of harvest eased values. Barley opened unchanged. Despite early good shipper buying values declined on lack of buyers. Spreads saw good trade on Sept-Jan barley, Acli reports.

HGCA — Locational ex-farm spot prices. Other milling wheat: Eastern 104.90, E. Mids 102.50. Feed barley: Eastern 92.60, E. Mids 94.60, N.East 94.70, Scotland 94.70. The UK Monetary Coefficient for the week beginning Monday August 24 (based on HGCA calculations using 4 day's exchange rates) is expected to remain unchanged.

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No. 2 14 per cent Aug 115, Sept 113.50, Oct 114.75 transshipment East Coast. U.S. Hard Winter 13½ per cent Sept 133 transhipment East Coast. English Feed fob Sept 106 East Coast. Maize: French Aug 125.50 trans shipment East Coast. S. African Yellow Sept/Oct 91.50. Barley: English Feed fob Sept 102.25/102.00 paid East Coast, Oct 104.25, Nov 106.25 sellers East Coast. Rest unquoted.

| | WHEAT | | BARLEY | |
|---|---|---|---|---|
| Mnth | Yesterd'ys close | + or — | Yesterday close | + or — |
| Sep | 104.05 | —1.05 | 97.45 | —0.45 |
| Nov | 107.95 | —0.75 | 101.15 | —0.50 |
| Jan | 112.15 | —0.75 | 105.05 | —0.45 |
| Mar | 116.00 | —0.70 | 108.75 | —0.50 |
| May | 119.60 | —0.70 | 112.30 | —0.45 |
| July | 123.20 | —0.60 | — | — |

Business done—Wheat: Sept 105.10-104.55, Nov 108.60-107.85, Jan 113.05-112.20, March 116.80-116.00, May 120.40-119.60, July no trade. Sales: 240 lots of 100 tonnes. Barley: Sept 98.05-97.35, Nov 101.75-101.00, Jan 105.55-105.00, March 109.30-108.75, May 112.85-112.30. Sales: 371 lots of 100 tonnes.

## RUBBER

The London physical market opened slightly easier, with little interest throughout the day, closing easier. Lewis and Peat reported a fob Sept price for No. 1 RSS in Kuala Lumpur of 251.5 (252.5) cents a kg and SMR 20 210.0 (211.5).

| No. 1 R.S.S. | Yest'r'ys close | Previous close | Business Done |
|---|---|---|---|
| Sept | 60.70-61.30 | 62.20-62.50 | — |
| Oct | 61.50-62.00 | 62.80-62.90 | — |
| Oct-Dec | 62.40-62.50 | 63.50-63.70 | 62.90-61.50 |
| Jan-Mar | 65.40-65.50 | 66.50-66.40 | 66.70-64.90 |
| Apl-Jne | 68.50-68.70 | 69.50-69.50 | 69.70-68.10 |
| Jly-Sept | 71.60-71.90 | 72.40-72.50 | 71.60 |
| Oct-Dec | 74.70-74.90 | 75.60-75.70 | 75.00 |
| Jan-Mar | 77.80-77.80 | 78.60-79.00 | 77.70 |
| Apl-Jne | 80.80-81.00 | 82.00-82.10 | 80.80 |

Sales: 352 (529) lots of 15 tonnes; nil (12) lots of 5 tonnes. Physical closing prices (buyers) were: Spot 59.50p (60.75p); Sept 58.75p (60.50p); Oct 59.75p (61.25p).

## GAS OIL FUTURES

The market opened steadier and eased off with little interest being shown. The stronger Deutschemark pushed prices to the highs before closing a little easier, reports Premier Man.

| Month | Yesterdys close | + or — | Business Done |
|---|---|---|---|
| | $ U.S. per tonne | | |
| August | 296.00 | —1.50 | 298.50-96.00 |
| September | 303.25 | +0.25 | 304.00-02.00 |
| October | 307.50 | — | 308.75-06.00 |
| November | 311.00 | +1.25 | 311.50-10.00 |
| December | 313.50 | +1.00 | 314.00-15.00 |
| January | 316.00 | +1.00 | 316.50-16.00 |
| February | 318.00 | — | 318.00 — |
| March | 320.00 | — | 320.00 — |
| April | 332.75 | —0.75 | — |

Turnover: 520 (613) lots of 100 tonnes.

## SOYABEAN MEAL

The market opened steady on commission house buying, reports T. G. Roddick, but Trade selling eased prices.

| | Yesterdys Close | + or — | Business Done |
|---|---|---|---|
| | £ per tonne | | |
| August | 155.00 | | |
| October | 157.10-57.5 | +0.25 | 157.00-57.00 |
| December | 156.00-58.2 | —0.65 | 158.70-58.20 |
| February | 140.60-42.5 | —0.25 | — |
| April | 142.00-43.5 | | — |
| June | 143.00-48.0 | | — |
| August | 144.00-48.0 | —0.50 | — |

Sales: 33 (158) lots of 100 tonnes.

## SUGAR

LONDON DAILY PRICE—Raw sugar £210.00 (£215.00) a tonne cif Aug-Sept-Oct shipments. White sugar daily price £218.00 (£226.00).

The market opened lower following the first Belgian beet tests which were excellent. Later after the second West German results were published further losses occurred, report C. Czarnikow.

| No. 4 Con-tract | Yest'rdy's close | Previous close | Business done |
|---|---|---|---|
| | £ per tonne | | |
| Oct | 205.85-05.50 | 210.85-11.00 | 212.00-05.40 |
| Jan | 201.10-01.50 | 206.00-06.25 | 207.50-01.75 |
| March | 202.75-03.00 | 208.75-09.00 | 210.00-03.50 |
| May | 205.00-06.20 | 210.75-11.00 | 212.00-05.00 |
| Aug | 206.50-08.75 | 212.50-12.75 | 212.50-05.50 |
| Oct | 210.50-11.50 | 215.75-16.00 | 211.50-11.50 |
| Jan | 210.50-12.00 | 218.25-15.00 | 211.50 |

Sales: 3,567 (3,489) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis white sugar was £360.4 (same) a tonne for home trade and £318.0 (£324.0) for export.

International Sugar Agreement (U.S. cents per pound) fob and stowed Caribbean ports. Prices for Aug 14: Daily price 15.46 (15.48); 15-day average 16.13 (16.23).

## COTTON

Liverpool—Spot and shipment sales amounted to 240 tonnes. Useful demand brought increasing business in a wide variety of growths. The bulk of the offtake was in Turkish, Russian and African qualities.

## JUTE

JUTE—Sept c and f Dundee BWC £256, BWD £201, BTB £207, BTC £255, BTD £203. Antwerp BWC $476, BWD $371, BTB $550, BTC $477, BTD $376 c and f Dundee Aug 40 in 10 oz £11.03, 40 in 7.5 oz £8.44. B Twills £32.52.

## WOOL FUTURES

BRADFORD WOOL MARKET—Buying interest remains dull, practically throughout the trade. Wool values were firm in New Zealand last Friday, though not strong enough to cause a general rise in top quotations here. Any speculation related to currency rates is lacking, while positive trade demand is particularly quiet in the home market.

LONDON NEW ZEALAND CROSS-BREDS—Close (in order buyer, seller, business). New Zealand cents per kilo Aug 410 seller, nil; Oct 395, 402, nil; Dec 404, 406, 405; Jan 408, 410, 407; March 416, 417, 417-416; May 425, 427, 425-424; Aug 432, 436, 434; Oct 435, 433, 440; Dec 436, 440, nil; Jan 436, 440, 440. Sales: 20.

SYDNEY GREASY WOOL—Close (in order: buyer, seller, business). Australian cents per kilo. Oct 501.0, 501.8, 502.5-501.0; Dec 511.0, 511.5, 512.5-511.0; March 522.0, 522.5, 523.0-522.0; May 529.5, 530.0, 531.0-530.0; July 535.0, 536.5, 537.0-536.5; Oct 533.5, 534.5, untraded; Dec 536.0, 537.0, 536.5-536.0. Sales: 157.

## TEA AUCTION

LONDON TEA AUCTION—26,580 packages were offered in yesterday's auction. Demand was again selective and New Seasons Assams continued to sell below valuations. Brighter East Africans were often 4-6p lower, but Mediums sold readily and all Dusts met improved support at dearer rates. Better Central Africans were barely steady except Dusts which were stronger than of late. Poorer descriptions were 1-2p easier. Bright Medium Ceylons were firm. Plainer sorts and South Indians 2-4p lower. Quotations: Quality 120p per kilo (133p). Medium 102p per kilo (102p). Plain 79p per kilo nominal (79p nominal).

## POTATOES

LONDON POTATO FUTURES — Renewed confidence from buyers brought about by dry weather and Dutch crop report of some damage moved all prices sharply higher, reports Coley and Harper. Closing prices: Nov 82.50, +5.30, (high 82.50, low 79.00); Feb 106.00, +7.50, (high 106.00, low 100.50); Apr. 124.00, +9.30, (high 125.00, low 117.00). Turnover: 649 (333) lots of 40 tonnes.

## PRICE CHANGES

In tonnes unless otherwise stated.

| | Aug. 17 1981 | + or — | Month ago |
|---|---|---|---|
| Metals | | | |
| Aluminium | £810/815 | ..... | £810/815 |
| Free Mkt | $1250/1260 | ..... | $1150/160 |
| Copper | | | |
| Cash w'bar | £1015.5 | —6.5 | £905.50 |
| 3 mths | £1045.5 | —7.25 | £929.25 |
| Cash Cathode | £1014 | —7 | £898 |
| 3 mths | £1038.25 | —6.25 | £919.50 |
| Gold troy oz | $412 | —2 | $412 |
| Lead Cash | £455.25 | —5.75 | £459.25 |
| 3 mths | £454.25 | —6 | £437.25 |
| Nickel | £4087.3 | ..... | £3,658.50 |
| Free mkt | 275/295c | ..... | 275/295c |
| Platin'mtr'y oz | £260 | ..... | £247 |
| Freemkt | £237.65 | —0.6 | £219.60 |
| Quicksilver | $422/438 | ..... | $450/455 |
| Silver troy oz | 496.70p | —18.95 | 473.85p |
| 3 mths | 513.60p | —18.5 | 489.75p |
| Tin Cash | £7745 | —10 | £7,312.5 |
| 3 mths | £7851 | +0.5 | £7,525 |
| Tungsten22.0lb | $144.67 | ..... | $143.64 |
| Wolfrm22.04lbs | $140/143 | —1 | £145/152 |
| Zinc Cash | £519.5 | —9.5 | £467.25 |
| 3 mths | £533.5 | —9.75 | £476.75 |
| Producers | $925/1000 | ..... | $925 |
| Oils | | | |
| Coconut (Phil) | $560y | —7.5 | $590 |
| Groundnut | ‡ | ..... | ‡ |
| Linseed Crude | £460 | ..... | £452 |
| Palm Malayan | $550z | ..... | $580 |
| Seeds | | | |
| Copra Philip | $560 | ..... | $570 |
| Soyabean(U.S.) | $287x | —2 | $305.5 |
| Grains | | | |
| Barley Fut.Nov | £101.15 | —0.5 | £101.90 |
| Maize | £125.5 | ..... | £128 |
| Wheat Fut.Nov | £107.95 | —0.75 | £107.25 |
| No2 HardWint | £123.00x | ..... | £115.75 |
| Other commodities | | | |
| Cocoa ship't* | £1265 | +18 | £1,121.5 |
| Future Dec. | £1255.5 | +13 | £1,081.5 |
| Coffee Ft' Nov. | £1056 | +22.5 | £863 |
| Cotton A.Index | 81.55c | —0.2 | 85.95c |
| Gas Oil Sept. | $303.25 | +0.25 | $305.75 |
| Rubber kilo | 59.5 | —1.25 | 58.5p |
| Sugar (Raw) | £210y | ..... | £212 |
| Wooll'ps 64s kl. | 400p kilo | ..... | 387p kilo |

‡ Unquoted. z Oct. y Aug-Sept. x Sept. † Per 76-lb flask. * Ghana cocoa. n Nominal.

## MEAT/VEGETABLES

MEAT COMMISSION—Average Fatstock prices at representative markets on August 17. GB—Cattle 80.5p per kg lw (+0.16). UK—Sheep 117.97p per kg est dcw (—6.92). GB—Pigs 66.02p per kg lw (—1.71).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 72.0 to 75.0; Ulster hindquarters 84.0 to 88.0. Veal: Dutch 114.0 to 120.0. Veal: Dutch 114.0 to 120.0. Lamb: English Small 46.0 to 58.0, Medium 43.0 to 54.0; Imported Frozen. New Zealand PL 54.0 to 55.0, PM 53.0 to 54.0. Pork: English under 100 lbs 34.0 to 51.0, 100-120 lbs 40.0 to 50.0, 120-160 lbs 38.0 to 48.0.

COVENT GARDEN—Prices for the bulk of produce, in sterling per package except where otherwise stated. Imported Produce: Oranges—Outspan: Navelates 48 5.20, 56 6.10, 72 6.15, 88 5.55, 112 5.10, 138 5.05, 150 4.60; Californian: 72/113 6.50-7.00. Lemons—Spanish: boxes 5.00-5.50, trays 25/50 2.00-2.80; Outspan: 80/195 5.50-7.00; Italian 110/120 5.00. Grapefruit—Outspan: 27 4.20, 32 4.65, 36 5.00, 40 5.20, 48 5.00, 56 4.40, 64 4.10, 72 3.30; Argentine: all sizes 2.80-4.00. Apples—S. African: Granny Smith 6.00-6.50, Golden Delicious 4.50-5.00; York 2.50-5.00; Tasmanian Granny Smith 6.00, Sturmer Pippin 4.00, Golden Delicious 4.00, Democrat 5.00, 11.0 Red Delicious 11.00-12.00; Spanish: New crop, Golden Delicious 20-lb 2.20-2.60, 40-lb 4.60-5.00. Pears—French: Per pound Williams 0.10-0.16; Italian: Per pound 0.11-0.15. Nectarines—Italian: Large trays A/C 2.00-2.20. Plums—Italian: 20-lb Giant Prune 2.00, Stanley 2.20. Greengages—French: 9-kilos 2.80-3.00; Italian 12-lb 4.00; Spanish: 11-lb 2.00-2.50. Cherries—U.S.: Per pound 1.00. Grapes:—Cyprus: 11-lb Thompson 4.00, Cardinal 3.00, Sultana 2.80-3.00, Rozaki 3.50, Alphonse Lavallee 4.00; Spanish: Alphonse Lavallee 11-lb 2.00; Italia 3.00-3.50; Italian: Regina 2.50, Cardinal 3.00. Melons—Spanish: 10-kilos yellow 2.40-2.00. Water Melons—Hungarian: 13-kilos 3.20-3.50; Spanish: 15-kilos 3.00-3.50; Italian: 17-kilos 5.00-5.50; Greek: 4.00-5.00. Peaches—Italian: Large trays A/C 1.80-2.40, French, A/C 1.20-2.20. Pineapples—Ivory Coast. Each 0.40-1.00. Bananas—Colombian: Per pound 0.19. Avocados—S. African: 12/16 5.00; Kenyan: 5.00. Onions—Spanish: Grano 3/5 2.60-2.80, Egyptian: 2.50. Potatoes—Cypriot: 44-lb bags 4.00-5.00. Capsicums—Dutch 5-kilos green 2.70, red 5.00, Italian green 6-kilos 2.50-3.00. Aubergines—Dutch. 5-lb 4.50. Cabbages—Dutch, White 4.00-4.50, red 5.00. Fennel, Dutch: Per 11-lb 3.60. Artichokes—French: Globe 24's 4.50-5.50.

English Produce: Potatoes—Per 55-lb white 2.00-2.60, red 2.40-2.80, King Edwards 2.80-3.00. Mushrooms—Per pound 0.50, closed 0.60. Apples—Per pound, Bramley 0.14-0.20, Grenadier 0.12, Howgate 0.14, Discovery 0.10-0.17, George Cave 0.10-0.12, Miller 0.09-0.10. Cauliflowers—Per 12 Lincoln 1.00-1.50. Cabbages—Per bag Primo 20-lb 1.00-1.50. Lettuce—Per 12, round 1.00-1.60, Cos 10/12 1.80-2.00.

GRIMSBY FISH — Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.50-£5.00, codlings £1.60-3.60; large haddock £4.00-£4.80, small £2.00-£3.20; large plaice £4.00-£5.80, medium £2.80-£5.00, best small £2.20-£4.30; large skinned dogfish £5.00-£7.00, medium £5.00-£5.00, large lemon soles £8.00, medium £7.00, rockfish £3.00-£3.60.

## AMERICAN MARKETS

NEW YORK, August 17.

PRECIOUS METALS were moderately higher on anticipation of a uniform pricing system to be agreed on by OPEC this wee. Cocoa prices advanced slightly on continued anticipation of full ratification of the International Cocoa Agreement. Sugar eased off moderately despite Brazilian reports of heavy freeze damage to the local cane crop. Grains and soyabeans rallied early on expectations of further announcements of Soviet purchasing, but finished lower in wheat while struggling for minor gains in maize and soyabeans, reported Heinold.

Copper—Aug 83.50 (83.65), Sep 83.90-84.00 (84.25), Oct 85.45, Dec 85.20-88.35, Jan 89.40, March 91.55-91.60, May 94.00, July 96.70, Sep 98.60, Dec 101.80, Jan 102.85, March 105.00, May 107.15.

Potatoes (round whites)—Nov 75.6-75.8 (72.6), Feb 83.5-86.5 (83.5), March 91.0-92.0, April 103.3-106.9. Sales: 997.

¶Silver—Aug 91.60 (902.5), Sep 921.0-923.0 (910.0), Oct 93.65, Dec 963.5-967.0, Jan 978.1, March 1004.5, May 1021.7, July 1058.5, Sep 1025.2, Dec 1125.3, Jan 1128.8, March 1165.2, May 1191.8.

Sugar—No. 11: Sep 15.27-15.28 (15.42), Oct 15.20-15.22 (15.50), Jan 15.25-15.30, March 15.50-15.63, May 15.80-15.82, July 16.04-16.03, Sep 16.25, Oct 16.40-16.42. Sales: 8,072.

Tin—644.00-665.00 (642.00-653.00).

CHICAGO, August 17.

Lard—Chicago loose 21.00 (same). Live Cattle—Aug 67.55-67.72 (67.92), Oct 65.15-65.22 (65.27), Dec 66.00-65.90, Feb 65.40-65.50, April 65.32, June 65.70, August 65.70.

Live Hogs—Aug 52.40-52.50 (52.12), Oct 50.90-50.95 (50.80), Dec 53.85-53.75, Feb 54.15-54.30, April 51.95, June 54.27, July 54.67, Aug 53.77, Oct 54.30.

‡‡Maize—Sept 312¾-313½ (308½), Dec 316¾-316½ (312½), March 332¼-332, May 344-344¾, July 352, Sept 356¾-357.

Pork Bellies—Aug 54.85-55.00 (53.70), Feb 66.90-66.70 (66.62), March 65.90-67.10, May 68.25, July 68.95, Aug 68.65.

†Soyabeans—Aug 695½-697 (638), Sept 690½-689½ (690½), Nov 700½-699½, Jan 720-719, March 742, May 763½-764, July 782½, Aug 788½.

‖Soyabean Meal—Aug 197.3 (197.1), Sept 196.8-196.5 (196.5), Oct 197.5-197.0, Dec 203.0-202.2, Jan 205.0-205.9, March 213.0, May 217.5-218.5, July 222.5-222.0, Aug 224.0-224.5.

Soyabean Oil—Aug 21.40 (21.36), Sept 21.55-21.53 (21.37), Oct 22.00-22.05, Dec 22.88, Jan 22.25-23.30, March 23.95-24.05, May 24.50-24.60, July 25.05-25.15, Aug 25.30-25.35.

†Wheat—Sept 406-405½ (407¾), Dec 436½-436 (438½), March 462-462¾, May 474½, July 477½, Sept 487½.

WINNIPEG, Aug 17.

§Barley—Oct 133.90 (134.30), Dec 132.70 (134.00), March 135.80, May 137.70.

*Platinum (NY)—Oct 444.0-445.0 (436.9), Jan 460.0-463.0 (453.6), April 476.0-477.0, July 495.8, Oct 512.8, Sales: 1,698.

*Gold (NY)—Aug 414.0 (411.5), Sept 416.2 (414.3), Oct 421.5-423.0, Dec 432.5-433.5, Feb 444.5, April 455.1, June 466.4, Aug 477.7, Oct 489.3, Dec 501.2, Feb 513.5, April 525.9, June 538.4.

All cents per pound ex-warehouse unless otherwise stated. *$ per troy ounce. ¶ Cents per troy ounce. ‡‡ Cents per 56-lb bushel. † Cents per 60-lb bushel. ‖ $ per short ton (2,000 lbs). § $Can. per metric ton. §§ $ per 1,000 sq feet. ‡ Cents per dozen. †† $ per metric ton.

## EUROPEAN MARKETS

ROTTERDAM, August 17.

Wheat—(U.S. $ per tonne): U.S. Two Dark Hard Winter 13.5 per cent Aug 200, Sept 203, Oct 208. U.S. No Two Red Winter Aug 166, Sept 168. U.S. No Three Amber Durum Sept 187, Oct 192, Nov 196, Dec 202. U.S. No Two Northern Spring 14 per cent. Aug 188, Sept 189, Oct 193, Nov 199.

Maize—(U.S. $ per tonne): U.S. No Three Corn Yellow spot 152, afloat 149, Aug 146, Sept 144, Oct 143.50, Nov 144.50, Dec 148, Jan.-March 151, April-June 157.50.

Soyabean—(U.S. $ per tonne): U.S. Two Yellow Gulfports Aug 288, Sept 281, Oct 272, Nov 273, Dec 278, Jan 285, Feb 290, March 295, April 300, May 302 sellers.

Soyameal—U.S. $ per tonne): 44 per cent protein afloat 243, Aug 242, Sept 242, Nov-March 253. Brazil Pellets afloat 248 traded, Aug 246, Sept 247, Oct 250, Nov-March 258 sellers.

Sugar—(FFr per tonne): Oct 2240/43, Nov 2230/40, Dec 2160/65, March 2240/45, May 2285/330, July 2310/65, Aug 2320/80. Sales at Call: 6.

PARIS, Aug 17.

Cocoa — (FFr per 100 kilos): Sep 1320/1340, Dec 1370/95, March 1400/20, May 1405/30, July 1410/35, Sep 1420/48, Dec 1450/71. Sales at call: 9.

## INDICES

### FINANCIAL TIMES

| Aug. 14 | Aug. 13 | Month ago | Year ago |
|---|---|---|---|
| 269.42 | 265.84 | 262.75 | 274.43 |

(Base: July 1, 1952=100).

### MOODY'S

| Aug. 14 | Aug. 13 | Month ago | Year ago |
|---|---|---|---|
| 1069.3 | 1065.1 | 1062.2 | 1247.5 |

(December 31, 1931=100)

### DOW JONES

| Dow Jones | Aug. 14 | Aug. 13 | Month ago | Year ago |
|---|---|---|---|---|
| Spot | 375.12 | 374.27 | 380.65 | 448.08 |
| Fut'rs | 383.01 | 382.12 | 386.65 | 461.71 |

(Average 1924-25-26=100)

### REUTERS

| Aug. 17 | Aug. 14 | M'nth ago | Year ago |
|---|---|---|---|
| 1742.1 | 1749.3 | 1703.6 | 1719.0 |

(Base: September 18, 1931=100)

## LEGAL NOTICES

THE COMPANIES ACTS 1948 TO 1967

COMPANY LIMITED BY SHARES

EXTRAORDINARY RESOLUTION (Pursuant to sections 141 (1) and 278 (1) (c) of the Companies Act 1948)

SPORBAN INVESTMENTS LIMITED

Passed 31st July 1981

At an Extraordinary General Meeting of the above-named Company, duly convened, and held at The Stock Exchange, London EC2, on the 31st day of July 1981, the subjoined Extraordinary Resolution was duly passed, viz:—

RESOLUTION

"That it has been proved to the satisfaction of this meeting that the Company cannot by reason of its liabilities continue its business, and that it is advisable to wind up the same, and accordingly that the Company be wound up voluntarily, and that
DAVID GEOFFREY PANGBOURNE
of Touche Ross & Co.,
Hill House,
1 Little New Street,
London EC4A 3TR,
be and he is hereby appointed liquidator for the purposes of such winding-up."

## PUBLIC NOTICE

TAYSIDE REGIONAL COUNCIL — £5,000,000 Bills issued 13th August 1981 at 13¹¹⁄₁₆% due 12th November 1981. Total applications £23,000,000. Bills outstanding £12,500,000.

# Gilts more prominent and short tap stock activated
# Equity leaders dither but FT-A indices hit new records

**Account Dealing Dates**
**Option**

| *First Dealings | Declara-tions | Last Dealings | Account Day |
|---|---|---|---|
| Aug 10 | Aug 26 | Aug 27 | Sept 7 |
| Aug 28 | Sept 10 | Sept 11 | Sept 21 |
| Sept 14 | Sept 24 | Sept 25 | Oct 5 |

* "Now-time" dealings may take place from 9.30 am two business days earlier.

Government securities yesterday took pride of place in London stock markets, relegating recently-buoyant equity markets to a less colourful session at the *start of the second leg of the* three-week trading Account. Gilt-edged began on a quietly firm note, but investment interest quickened on sterling's afternoon rise; this followed easier dollar quotations when Far Eastern expectations of higher U.S. interest rates in the *wake of last week's sharp* expansion in money growth were disappointed.

Sizable funds were committed to short-dated Gilts and the Government broker was able to sell supplies of the short tap Treasury 11½ per cent 1985, at 91¼ and then withdraw; he was not tested at a higher price. Interest after this tended to subside and final gains ranged to only ¾. Trading conditions at the longer end of the market were, in comparison, thinner, but, with stock shortage contributing to the upturn, quotations closed as much as ¾ higher.

Anticipating an extension of last week's boom, jobbers marked leading shares higher at the opening. Demand from smaller investors was more than offset by profit-taking, however, and values soon retreated in the absence of institutional follow-*through support.* **Winterthur's** cash bid for the 74.54 per cent of **Provident Life Insurance** it does not already own aroused considerable activity in the sector, but most Insurances, despite showing substantial gains, closed well below the day's best. Better-than-expected results from **Royal Insurance**, although tinged with some disappointment about the dividend also contributed to the above-average interest in the sector.

Many secondary industrials *held enhanced early levels*, a reflection of Friday's late advance in leading shares, and helped the F.T.-Actuaries indices to reach new record highs; the All-share closed a shade better at 338.64. The F.T. Industrial Ordinary share index registered a 10 am gain *of 3.2, a marginal loss two hours* later and a closing rise of 0.4 at 572.9.

The second **Nationwide Building Society** yearling bond made a quiet debut and the 14¾ per cent stock closed at £100 1/16, a premium of 1/16 on the issue price.

*Traded options remained* reasonably active despite the lacklustre performance of the underlying securities. Considerable support developed for **Marks and Spencer**, which recorded 485 calls with the October 140's accounting for 383 of these. **British Petroleum** *attracted 268 calls, 119 in the* January 350's, while **RTZ** and **Consolidated Gold Fields** were dealt 196 and 176 times respectively for the call. Among puts, **Grand Metropolitan** recorded 107 and **BP** 71. Total contracts amounted to 2,127.

## Provident Life jump

A rising market last week in response to buoyant new life assurance figures for the second quarter of the year. Life companies staged another broad advance yesterday, exciting by a surprise 320p per share cash bid *by* Winterthur Swiss Insurance for **Provident Life**; the latter jumped 114p to 330p. Elsewhere, best levels were not always held but **Equity and Law** advanced 20 to 424p, after 428p, while **United Friendly B** added a similar amount to 255p. **Refuge** put on 10 to 266p as did **London and Manchester**, to 304p, after 308p. **Pearl** finished 4 dearer at 450p, after 456p, and **Sun Life** a couple of pence better at 314p, after 323p. Interest in Composites centred on **Royals** which reported better-than-expected interim *results; the shares improved* to 425p on the figures before closing a net 5 firmer on balance at 417p.

Trading in the Building sector was slow, but occasional buying interest prompted the odd improvement. Contracting issues were noteworthy for a gain of 7 *to 128p in Fairclough. Elsewhere,* **Vibroplant** closed 5 better at 220p following the preliminary figures, while **Wiggins Construct** advanced 5 to 80p in response to favourable Press mention. **G. M. Callender** ended 4 dearer at 60p.

Among Chemicals, **ICI** opened *at 290p but drifted back* to close without alteration at 288p. **Anchor** reacted 5 more to 80p.

## Stores idle

Marked a shade firmer at the outset, leading Stores failed to attract follow-through support and most reverted to Friday's closing positions. **Gussies A** provided an exception and rose to 480p before settling for a net gain of 4 at 478p. Movements of note in secondary counters were also few and far between, but further consideration of the full-year figures lifted **Heelamat** 9 to 121p; *the shares are traded* in the Unlisted Securities Market.

An initial improvement in the Electrical leaders petered out and most quotations finished the day a shade lower on balance, **GEC** ending 6 cheaper at 797p, after 810p. Selective support *was evident for secondary* issues. Press mention stimulated demand for **Crystalate** which firmed 4½ to 94p, while renewed support lifted **Rediffusion** 7 more to 204p and **Bowthorpe** 5 further to 197p. Helped by the encouraging tenor of the chairman's annual statement, **Security Centres** improved 8 to 122p. **Memec** gained 5 to 223p and awaiting Thursday's preliminary results, **Louis Newmark** rose 7 to 365p.

## Reckitt & Colman up

Engineers passed an uneventful session, interest fading noticeably after last week's revival. Among the leaders, **GKN** touched 180p before closing a penny firmer on balance at 176p. In secondary issues, **Chemring** rose 7 to 250p in a limited market, while fresh demand *lifted* **Martonair** *5 more* to 253p. **Glynwed** closed 3 better at 98p, while satisfactory interim results left **Charles Baynes** 3 higher at 24p.

In quiet Foods, **R. Paterson** advanced 6 to 88p in a market none too well supplied with stock, while a Press mention aided **Argyll**, 3 dearer at 132p.

Miscellaneous industrial leaders continued firmly with **Reckitt and Colman** notable for a rise of 12 at 296p on buying ahead of the interim results due early next month. **Bowater**, with first-half results due on September 9, also found support and added 7 to 271p, while **Unilever** advanced 15 afresh to 625p awaiting today's half-yearly statement. Elsewhere, **Powell Duffryn** put on 14 to 272p in response *to Press comment and* **Donald Macpherson**, 69p, and **Nolton**, 32p, rose 4 apiece for a similar reason. In the wake of Friday's announcement that **Mills and Allen** is extending its bid for **Letraset** another fortnight, the latter attracted speculative support and finished 6 better at 123p. *Smiths Industries put on* 13 to 385p and **De La Rue** gained 15 to 795p, while **Bestobell** appreciated 9 to 485p and **J. H. Fenner**, 170p, and **Fothergill and Harvey**, 176p, added 7 apiece. **Vintens** rose 10 to 35p following renewed investments support and **Siebe Gorman** ended a similar amount higher at 183p.

First-half profits from **Horizon Travel** fell at the lower end of market estimates and despite the company's confidence on current and future trading, the shares, well-supported of late, fell 7 to 287p. In constrast, **Intersun** con*tinued to draw strength from the* chairman's optimism at the annual meeting and rose 4 more to 92p. News of the sharply reduced annual profits and omitted dividend clipped 5 from **Herrburger Brooks**, 55p.

Motor sectors took on a firmer stance. Among recently neglected Distributors, **Heron** stood out with a gain of 5 at 30p on suggestions that the parent company may buy out the 32 per cent minority holding. Others to gain ground included **Harold Perry**, 95p, and **Hartwells**, 87p, both up 3, while **Attwood** *Garages advanced 5 to 69p. Else*where, **York Trailer** added a couple of pence to 17p on bid hopes. **Lotus** attracted renewed support and rallied 5 to 34p.

Some useful gains were noted among Paper/Printing. Press comment helped **Bunzl Pulp** to rise 7 to 144p, while similar gains were seen in **James Cropper**, 127p, **More O'Ferrall**, 130p, and **Watmoughs**, 202p. **Woodrow Wyatt**, 14p, recovered half of Friday's drop of 4 which followed the full-year loss and omitted dividend.

*In* quietly firm Properties, **McKay Securities** rose 5 to 145p in response to the results, while **Imry** hardened 5 more to 855p on further consideration of the higher preliminary profits, 200 per cent scrip-issue and property revaluation. **Churchbury Estates** gained 10 to 725p and **Warnford** put on 5 *to 460p. Of the leaders,* **Land Securities** closed 3 up at 340p.

## Oils inclined easier

In a subdued trading session, quotations of leading Oils inclined easier. **BP** gave up a few pence to 336p, while **Shell**, awaiting Thursday's half-yearly statement, lost 6 to 414p. **Ultramar** encountered profit-taking after recent firmness on the interim results and reacted 10 to 526p. **Sovereign**, in contrast, were supported at 402p, up 12, along with **Tricentrol** which gained 10 to 292p. Helped by Press mention, **S and K Petroleum** put on 13 to 215p and **Floyd Oil** 5 to 115p.

**Guthrie** fell 38 to 737p following news of the acquisition of Page Airways of the U.S. for £38m.

## Northgate soar

Mining markets produced a number of firm features, notably the Irish/Canadian **Northgate Exploration** and its associates.

Northgate, a strong market of late, jumped to a 1981 high of 505p before closing a net 90 up at 490p on rumours of a possible gold find.

**Westfield Minerals** moved up 15 to 110p and **Anglo United Development** 8 to 95p with the lion's share *of* the demand reported to have come from Ireland.

Another outstanding performer was **Consolidated Murchison**, which advanced 35 to a year's best of 300p following *favourable* weekend Press comment.

Australians got off to a bright start but faltered during the afternoon as worries over the *content of the Federal Budget*— details of which should be known here some time today— prompted widespread profit-taking.

**Paringa Mining** dropped 10 to 78p following the expiry of the Apollo offer to buy the shares at A$1.40 (88p). **Hampton Areas**, which *recently sold* its holding in Paringa to Apollo, fell 15 to 215p following aggressive selling in late dealings on Friday.

Financials registered substantial losses reflecting persistent and sizeable profit-taking. **RTZ** were particularly vulnerable and dropped 28 to 605p while falls *of 5 were common to Charter*, 275p, and **Tanks**, 325p.

South Africans showed **New Wits** 12 ahead at 248p following the increased profits and dividend. **Vogels** edged up 2 to a 1981 high of 152p despite the marginal decline in the half-year *profits.* **GFSA** *dipped* ½ to £41⅝ in front of the full year results, but **De Beers** rallied from 407p to close a net 2 harder at 415p ahead of the interim results, due today.

Golds gave ground on lack of interest and the easier bullion price—finally $2 cheaper at $412 an ounce. The Gold Mines index relinquished 2.9 to 368.3. News of a fire at the mine unsettled **Driefontein**, ¾ off at £15⅞.

## FINANCIAL TIMES STOCK INDICES

| | Aug. 17 | Aug. 14 | Aug. 13 | Aug. 12 | Aug. 11 | Aug. 10 | A year ago |
|---|---|---|---|---|---|---|---|
| Government Secs | 65.24 | 64.91 | 64.92 | 65.09 | 64.68 | 64.25 | 69.33 |
| Fixed Interest | 66.29 | 66.23 | 66.04 | 65.94 | 65.67 | 65.44 | 70.58 |
| Industrial Ord | 572.9 | 572.5 | 561.4 | 567.0 | 555.6 | 543.8 | 487.6 |
| Gold Mines | 368.3 | 371.2 | 361.1 | 359.1 | 341.8 | 338.4 | 363.2 |
| Ord. Div. Yield | 5.25 | 5.25 | 5.35 | 5.30 | 5.69 | 5.79 | 7.42 |
| Earnings, Yld. % (full) | 9.18 | 9.15 | 9.33 | 10.13 | 10.34 | 10.53 | 17.43 |
| P/E Ratio (net) (*) | 14.23 | 14.27 | 13.99 | 12.55 | 12.30 | 12.07 | 6.94 |
| Total bargains | 17,348 | 22,018 | 20,091 | 16,701 | 20,210 | 16,707 | 15,366 |
| Equity turnover £m. | — | 148.49 | 138.69 | 146.88 | 155.89 | 120.75 | 88.26 |
| Equity bargains | — | 14,569 | 15,650 | 15,607 | 15,584 | 13,637 | 17,037 |

10 am 575.7. 11 am 575.1. Noon 571.9. 1 pm 573.2.
2 pm 573.2. 3 pm 573.3.
Latest Index 01-246 8026.
Nil=12.78.

Basis 100 Govt. Secs. 16/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

## HIGHS AND LOWS

| | 1981 High | 1981 Low | Since Compilat'n High | Since Compilat'n Low |
|---|---|---|---|---|
| Govt. Secs. | 70.61 (20/5) | 63.12 (21/7) | 127.4 (9/1/35) | 49.18 (3/1/75) |
| Fixed Int | 72.01 (20/5) | 65.36 (21/7) | 150.4 (28/11/47) | 50.53 (3/1/75) |
| Ind. Ord. | 597.3 (30/4) | 446.0 (14/1) | 597.3 (30/4/81) | 49.4 (26/6/40) |
| Gold Mines | 481.1 (8/1) | 262.6 (28/6) | 558.9 (22/9/80) | 43.5 (26/10/71) |

## S.E. ACTIVITY

| | Aug. 14 | Aug. 13 |
|---|---|---|
| —Daily | | |
| Gilt Edged Bargains | 157.5 | 173.4 |
| Equities Bargains | 94.4 | 101.4 |
| Value | 300.1 | 280.3 |
| 5-day Avrge. | | |
| Gilt-Edged Bargains | 165.2 | 184.0 |
| Equities Bargains | 97.1 | 96.4 |
| Value | 287.3 | 281.2 |

## NEW HIGHS AND LOWS FOR 1981

The following quotations in the Share Information Service yesterday attained new Highs and Lows for 1981.

**NEW HIGHS (177)**
BRITISH FUNDS (1)
CANADIANS (1)
BANKS (4)
BEERS (2)
BUILDINGS (6)
CHEMICALS (1)
ELECTRICALS (15)
ENGINEERING (6)
FOODS (6)
INDUSTRIALS (25)
INSURANCE (12)
LEISURE (2)
NEWSPAPERS (2)
PAPER (1)
SOUTH AFRICANS (1)
TEXTILES (3)
TRUSTS (76)
OIL AND GAS (2)
OVERSEAS TRADERS (1)
MINES (8)

**NEW LOWS (12)**
FOREIGN BONDS (1)
Hung '24 Ass.
AMERICANS (2)
Burroughs Cpn. TRW Inc.
CANADIANS (1)
Hollinger
INDUSTRIALS (2)
Harvey Thompson Kalamazoo
SHIPPING (1)
Jacobs (J. I.)
TRUSTS (1)
London Merchant 7¼pcCnv.Uns. 20000-05
MINES (4)
Falcon Jimberlana
Cultus Pacific Tronoh

## RISES AND FALLS YESTERDAY

| | Rises | Falls | Same |
|---|---|---|---|
| British Funds | 82 | 1 | 10 |
| Corpns., Dom. and Foreign Bonds | 9 | 1 | 59 |
| Industrials | 328 | 134 | 915 |
| Financial & Props. | 202 | 45 | 255 |
| Oils | 36 | 30 | 33 |
| Plantations | — | 8 | 15 |
| Mines | 40 | 64 | 62 |
| Others | 30 | 82 | 94 |
| Totals | 727 | 365 | 1,443 |

## ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday

| Stock | Closing price pence | Day's change | Stock | Closing price pence | Day's change |
|---|---|---|---|---|---|
| Commercial Union | 168 | — | Northgate Exploration | 490 | +90 |
| Cons. Murchison | 300 | +35 | Pearl Assurance | 450 | +4 |
| De Beers Dfd. | 415 | +2 | Racal Electronic | 477 | +2 |
| Equity and Law | 424 | +20 | Reckitt and Colman | 296 | +12 |
| GEC | 797 | −6 | Royal Insurance | 417 | +5 |
| Horizon Travel | 287 | −7 | Unilever | 625 | +15 |

## FRIDAY'S ACTIVE STOCKS

Based on bargains recorded in the SE Official List

| Stock | No. of price changes | Closing price pence | Day's change | Stock | No. of price changes | Closing price pence | Day's change |
|---|---|---|---|---|---|---|---|
| RTZ | 20 | 633 | — | Royal Ins. | 13 | 412 | +15 |
| GEC | 17 | 803 | +13 | Unilever | 13 | 610 | +10 |
| Racal Elec. | 15 | 475 | +22 | GKN | 12 | 175 | +12 |
| ICI | 14 | 238 | +10 | Heelamat | 12 | 112 | — |
| Thorn EMI | 14 | 500 | +14 | Plessey | 12 | 392 | +12 |
| Ultramar | 14 | 536 | +6 | Glaxo | 11 | 410 | +6 |
| BTR | 13 | 376 | +9 | Laird Group | 11 | 128 | −7 |

## OPTIONS

| First Deal-ings | Last Deal-ings | Last Declara-tion | For Settle-ment |
|---|---|---|---|
| Aug 17 | Aug 28 | Nov 19 | Nov 30 |
| Sept 7 | Sept 18 | Dec 3 | Dec 14 |
| Sept 21 | Oct 2 | Dec 17 | Dec 28 |

*For rate indications see end of Share Information Service*

Demand for options improved and calls were taken out in **RTZ, NCC, Brengreen, British Benzol, Dunlop, Comtech, ICL, Plessey, P and O Deferred, Pennine Commercial, Charterhall, Elsburg, Hampton Trust, Town and City Properties, Endeavour, Cluff Oil, Premier Oil, Lasmo, BSR and Double Eagle.** Puts were arranged in **GKN, Tubes, Burmah, Racal, RTZ and BP,** while **Dunlop and RTZ** were dealt in for the trouble.

## RECENT ISSUES

### EQUITIES

| Issue price p | Amount paid up | Latest Renunc. date | 1981 High | 1981 Low | Stock | Closing price p | + or − | Div. p. or amount | Times covered | Gross yield | P.E. ratio |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 153 | F.P. | — | 172 | 152 | ✣Aerospace Eng. | 160 | −3 | bd7.5 | 1.4 | 6.7 | 14.8 |
| 64 | F.P. | — | 63 | 60½ | East of Scot. Onshore | 62 | ...... | g0.85 | — | 1.9 | — |
| [illegible] | F.P. | — | 25 | 17 | ††Energy Sources | 18 | ...... | — | — | — | — |
| §52 | F.P. | — | 87 | 75 | ✣Fleet St. Letter. 5p. | 87 | +2 | u8.5 | 1.9 | 4.1 | 18.3 |
| 140 | F.P. | — | 140 | 130 | Hamilton Oil G.B. | 138 | ...... | u1.0 | 18.4 | 1.0 | 7.5 |
| — | F.P. | — | 7 | 6 | Hartons 5p | 7 | ...... | — | — | — | — |
| §10 | F.P. | — | 22 | 17 | ✣ICC Oil services | 20 | ...... | — | — | — | 80.6 |
| 25 | F.P. | — | 28 | 27 | JapanAssets Trust 10p | 27½ | −½ | — | — | — | — |
| §51 | F.P. | 20/7 | 69 | 61 | ✣Microfilm Repro. | 62 | ...... | b2.5 | 1.4 | 5.8 | 17.9 |
| [illegible] | F.P. | — | 125 | 120 | ✣Newcourt Oil | 120 | ...... | — | — | — | — |
| 100 | F.P. | — | 103 | 98 | ✣Ramus | 101 | −2 | gd5.0 | 2.1 | 7.1 | 7.8 |
| §155 | F.P. | 3/8 | 205 | 190 | ✣Star Computer | 202 | ...... | 2.0 | 4.3 | 1.4 | 21.1 |
| — | F.P. | — | 14 | 10 | Stewart Ent. Warrs. | 14 | +1 | — | — | — | — |
| $2 | F.P. | — | 120 | 114 | St'ckhold'rsF.E.Inv $1 | 115 | +1 | — | — | — | — |
| 66 | F.P. | — | 82 | 75 | ✣Thorpac | 82 | ...... | b1.82 | 3.7 | 3.2 | 10.8 |
| 100 | F.P. | 15/7 | 104 | 95 | Utd.Comp.&Tech. 10p | 99 | ...... | — | — | — | — |

### FIXED INTEREST STOCKS

| Issue price £ | Amount paid up | Latest Renunc. date | 1981 High | 1981 Low | Stock | Closing price £ | + or − |
|---|---|---|---|---|---|---|---|
| — | F.P. | 6/7 | 110 | 102 | Aitken Hume 10% Cnv. Uns. Ln. 1990/91 | 108 | ...... |
| 100‖ | F.P. | — | 112¼ | 97½ | Chloride 7½% Conv. Prf. | 100½ | +½ |
| ¶ | £10 | — | 10¼ | 9⅞ | East Surrey Water 10% Prf. 1986. | 10¼ | ...... |
| 100‖ | Nil | — | 9pm | 6pm | Hanson Trust 9½% Cv. Uns. Ln. 2000-6 | 8pm | ...... |
| 98½ | £25 | 13/11 | 25¾ | 24½ | Inco 15¾% Uns Ln. 2006 | 25½ | ...... |
| 100‖ | F.P. | — | 124½ | 110½ | Jones (Edward) 15% Cnv. Uns. Ln. '96-98 | 119 | −1½ |
| ¶97 | £10 | 3/9 | 110 | 95 | Mid-Kent Water 9% Red. Prf. 1987 | 95½ | ...... |
| ¶100 | F.P. | 28/8 | 98½ | 96 | Mid-Southern Wat. 9% Red .Pref. '86 | 97 | ...... |
| ¶ | F.P. | 17/7 | 104¼ | 95 | Mount Charlotte 9½% Cnv. Ln. 1995-2000 | 96 | ...... |
| 100 | F.P. | — | 100 1/16 | 99 3/4 | Nat'wide Bdg Society 14¾% Bds. 1/8/82 | 100 1/16 | ...... |
| §100 | F.P. | — | 100 1/16 | 100 1/16 | Do. 14¾% Bds (25/8/82) | 100 1/16 | ...... |
| 100‖ | F.P. | 23/7 | 179 | 101 | Prop. Hldg. & Inv. Tst. 8½% Cnv. Ln. | 104 | ...... |
| ** | F.P. | — | 93p | 83p | Sterling Credit 3.5% Cnv. Red. Pref. | 87½p | +1 |
| 100p‖ | F.P. | — | 100⅛p | 82½p | "W" Ribbons 10% Cum. Red. Prf. '95-96 | 82½p | ...... |
| ¶100 | £10 | — | 10½ | 10½ | York Waterworks 10% Red. Pref. '85 | 10½ | ...... |

### "RIGHTS" OFFERS

| Issue price p | Amount paid up | Latest Renunc. date ● | Latest Renunc. date ■ | 1981 High | 1981 Low | Stock | Closing price p | + or − |
|---|---|---|---|---|---|---|---|---|
| 22 | F.P. | 31/7 | 11/9 | 24 | 22½ | A.I.D. | 23 | ...... |
| 45 | F.P. | 23/7 | 28/8 | 54 | 49 | Brengreen | 52½ | ...... |
| 275 | 125p | 13/7 | 2/12 | 182 | 130 | B.P. | 180 | ...... |
| 42 | Nil | 20/8 | 17/9 | 9pm | 8pm | Buckley's Brewery | 9pm | ...... |
| 18 | F.P. | 14/8 | 4/9 | 21½ | 19 | Edinburgh Gen. Ins. | 20 | ...... |
| 375 | F.P. | 10/7 | 73/8 | 410½ | 390 | English Association | 410 | +10 |
| 176 | F.P. | 7/8 | 11/9 | 231 | 200½ | Extel | 330 | ...... |
| 240 | F.P. | — | — | 405 | 220 | ††Gaelic Oil | 280 | −10 |
| 11 | Nil | 28/8 | 30/9 | 2pm | ⅝pm | Gartons | 1¼pm | −¼ |
| 90 | F.P. | 10/7 | 21/8 | 154 | 121½ | Geers Gross | 154 | +2 |
| 5 | F.P. | 14/8 | 21/8 | 7½ | 6 | Hartons | 7½ | ...... |
| HK$12 | HK$6 | 28/8 | 9/10 | 109 | 66 | Hong Kong & Shanghai Bk. | 99 | −2 |
| 131 | Nil | 28/8 | 25/9 | 35pm | 25pm | Ladbroke | 35pm | ...... |
| 35 | Nil | 21/8 | 2/10 | 7pm | 6pm | Lane (Percy) | 7pm | ...... |
| 345 | Nil | 7/8 | 18/9 | 175pm | 98pm | Mercantile House | 160pm | −5 |
| 77 | F.P. | 20/8 | 25/9 | 92 | 81 | Moss Engineering | 89 | ...... |
| 160‖ | Nil | 9/7 | 12/8 | 40pm | 25pm | New Court Nat.Res. Units | 37pm | ...... |
| 50 | F.P. | 9/7 | 12/8 | 73 | 65 | Old Swan Hotel (H'gate) | 67 | ...... |
| A$1 | Nil | — | — | 148pm | 124pm | Pancontinental | 145pm | +2 |

Renunciation date usually last day for dealing free of stamp duty. *b* Figures based on prospectus estimate. *g* Assumed dividend and yield. *u* Forecast dividend; cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimate for 1981. Q Gross. T Figures assumed. ‡ Cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends. § Placing price to public. *p* Pence unless otherwise indicated. ¶ Issued by tender. ‖ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or take over. ‖‖ Introduction. □ Issued to former preference holders. ■ Allotment letters (or fully-paid). ● Provisional or partly-paid allotment letters. ✱ With warrants. †† Dealings under special Rule. ✣ Unlisted Securities Market. ‡‡ London Listing. ‡ Effective issue price after scrip.

## FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

**EQUITY GROUPS & SUB-SECTIONS**

Figures in parentheses show number of stocks per section

| | Equity groups & sub-sections | Mon., Aug. 17, 1981 Index No. | Day's Change % | Est. Earnings Yield % (Max.) | Gross Div. Yield % (ACT at 30%) | Est. P/E Ratio (Net) | Fri., Aug. 14 Index No. | Thur., Aug. 13 Index No. | Wed., Aug. 12 Index No. | Tues., Aug. 11 Index No. | Year ago (approx.) Index No. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | CAPITAL GOODS (214) | 376.33 | +0.2 | 9.41 | 4.11 | 13.19 | 375.63 | 370.54 | 371.16 | 364.19 | 281.44 |
| 2 | Building Materials (25) | 325.45 | +0.7 | 11.43 | 5.22 | 10.76 | 323.12 | 321.27 | 321.49 | 313.70 | 255.87 |
| 3 | Contracting, Construction (28) | 569.50 | +0.7 | 16.30 | 4.82 | 7.12 | 584.16 | 576.20 | 572.39 | 562.78 | 413.65 |
| 4 | Electricals (30) | 1248.45 | −0.3 | 7.28 | 2.21 | 16.78 | 1251.96 | 1225.26 | 1234.33 | 1204.36 | 833.27 |
| 5 | Engineering Contractors (10) | 508.73 | −0.4 | 12.28 | 5.36 | 9.73 | 511.01 | 509.95 | 508.45 | 507.19 | 327.29 |
| 6 | Mechanical Engineering (69) | 216.24 | +0.6 | 11.22 | 5.28 | 11.50 | 214.88 | 213.72 | 213.53 | 209.40 | 182.31 |
| 8 | Metals and Metal Forming (13) | 173.03 | +0.7 | 9.19 | 6.87 | 14.27 | 171.77 | 170.48 | 167.92 | 166.56 | 164.74 |
| 9 | Motors (21) | 105.85 | +0.9 | 1.61 | 6.54 | — | 104.87 | 103.41 | 104.67 | 103.29 | 101.88 |
| 10 | Other Industrial Materials (18) | 404.66 | −0.1 | 8.93 | 4.96 | 13.42 | 405.13 | 399.77 | 399.00 | 397.33 | 0.00 |
| 21 | CONSUMER GROUP (195) | 296.18 | +0.4 | 11.61 | 5.41 | 10.63 | 295.05 | 290.90 | 292.73 | 289.40 | 236.90 |
| 22 | Brewers and Distillers (20) | 317.84 | +0.1 | 14.00 | 6.07 | 8.56 | 317.66 | 312.97 | 317.25 | 309.74 | 289.24 |
| 25 | Food Manufacturing (21) | 273.12 | +0.7 | 14.25 | 6.10 | 8.44 | 271.28 | 268.32 | 268.78 | 268.09 | 216.74 |
| 26 | Food Retailing (14) | 568.43 | — | 8.66 | 3.14 | 13.76 | 568.44 | 559.21 | 560.36 | 555.23 | 355.28 |
| 27 | Health and Household Products (7) | 363.12 | +0.6 | 7.64 | 4.05 | 15.57 | 360.86 | 352.92 | 357.27 | 348.12 | 232.29 |
| 29 | Leisure (22) | 473.99 | −0.5 | 8.70 | 4.51 | 14.28 | 476.41 | 467.81 | 468.55 | 461.81 | 334.15 |
| 32 | Newspapers, Publishing (12) | 502.74 | +0.2 | 12.38 | 5.94 | 11.49 | 501.84 | 500.75 | 501.20 | 490.58 | 434.52 |
| 33 | Packaging and Paper (13) | 155.88 | +2.0 | 13.47 | 6.79 | 8.82 | 152.84 | 152.45 | 152.12 | 150.73 | 129.98 |
| 34 | Stores (44) | 276.83 | +0.3 | 10.48 | 4.82 | 12.72 | 276.04 | 271.21 | 273.18 | 271.13 | 233.85 |
| 35 | Textiles (23) | 168.14 | +1.9 | 7.04 | 5.43 | 20.36 | 164.97 | 164.82 | 164.76 | 163.52 | 122.92 |
| 36 | Tobaccos (3) | 268.94 | +0.5 | 18.89 | 9.28 | 6.20 | 267.65 | 266.63 | 268.70 | 269.47 | 227.65 |
| 39 | Other Consumer (16) | 289.18 | — | 4.52 | 5.83 | 53.39 | 289.17 | 287.63 | 287.73 | 287.01 | 0.00 |
| 41 | OTHER GROUPS (79) | 238.00 | +0.3 | 9.66 | 6.01 | 13.54 | 237.18 | 233.98 | 235.06 | 231.23 | 226.47 |
| 42 | Chemicals (15) | 302.90 | +0.3 | 4.48 | 5.99 | 42.76 | 302.01 | 293.98 | 297.39 | 287.53 | 316.41 |
| 44 | Office Equipment (6) | 116.24 | +0.2 | 14.21 | 7.07 | 8.48 | 116.01 | 116.01 | 117.11 | 117.27 | 106.56 |
| 45 | Shipping and Transport (13) | 537.40 | −0.6 | 15.36 | 7.09 | 7.73 | 540.79 | 538.16 | 538.53 | 543.35 | 997.36 |
| 46 | Miscellaneous (45) | 311.59 | +0.8 | 12.49 | 5.41 | 9.84 | 309.19 | 307.72 | 306.76 | 303.60 | 281.28 |
| 49 | INDUSTRIAL GROUP (488) | 315.22 | +0.3 | 10.53 | 4.99 | 11.82 | 314.27 | 309.94 | 311.28 | 306.67 | 252.97 |
| 51 | Oils (12) | 767.15 | −0.9 | 21.42 | 7.31 | 5.18 | 794.48 | 795.85 | 791.07 | 781.18 | 797.42 |
| 59 | 500 SHARE INDEX | 353.39 | +0.1 | 12.44 | 5.40 | 9.65 | 353.09 | 349.19 | 350.05 | 345.01 | 295.15 |
| 61 | FINANCIAL GROUP (118) | 278.67 | +0.2 | — | 5.35 | — | 278.13 | 275.20 | 275.44 | 272.73 | 234.38 |
| 62 | Banks (6) | 285.76 | +0.1 | 31.18 | 6.56 | 3.78 | 285.61 | 284.46 | 282.88 | 280.75 | 235.42 |
| 63 | Discount Houses (10) | 272.01 | +1.2 | — | 8.29 | — | 268.83 | 268.79 | 267.78 | 266.17 | 283.86 |
| 64 | Hire Purchase (3) | 260.21 | −0.2 | 11.77 | 6.98 | 11.76 | 260.76 | 261.69 | 260.21 | 253.40 | 219.73 |
| 65 | Insurance (Life) (10) | 292.72 | +1.0 | — | 5.17 | — | 289.83 | 282.05 | 283.73 | 274.87 | 237.81 |
| 66 | Insurance (Composite) (9) | 185.60 | — | — | 7.01 | — | 185.65 | 181.64 | 183.53 | 183.19 | 162.38 |
| 67 | Insurance Brokers (8) | 436.01 | −0.5 | 10.21 | 5.32 | 13.29 | 438.04 | 432.87 | 429.98 | 428.95 | 333.56 |
| 68 | Merchant Banks (13) | 173.91 | −0.1 | — | 4.89 | — | 174.14 | 174.38 | 173.94 | 171.52 | 135.55 |
| 69 | Property (49) | 495.32 | +0.3 | 3.78 | 2.84 | 36.24 | 493.91 | 491.13 | 491.23 | 486.29 | 440.21 |
| 70 | Miscellaneous (10) | 186.44 | +0.2 | 17.18 | 5.68 | 7.08 | 186.13 | 186.99 | 186.13 | 185.09 | 142.45 |
| 71 | Investment Trusts (109) | 332.90 | +0.7 | — | 4.79 | — | 330.62 | 329.55 | 327.26 | 324.18 | 262.69 |
| 81 | Mining Finance (3) | 288.01 | −2.8 | 12.22 | 4.75 | 9.64 | 296.26 | 289.57 | 283.92 | 290.90 | 243.73 |
| 91 | Overseas Traders (20) | 437.91 | — | 10.66 | 6.78 | 11.97 | 437.76 | 436.97 | 433.15 | 433.37 | 427.98 |
| 99 | ALL-SHARE INDEX (750) | 338.64 | +0.1 | — | 5.36 | — | 338.45 | 334.86 | 335.10 | 330.80 | 284.81 |

### FIXED INTEREST

| | PRICE INDICES | Mon., Aug. 17 | Day's change % | Fri., Aug. 14 | xd adj. today | xd adj. 1981 to date |
|---|---|---|---|---|---|---|
| | British Government | | | | | |
| 1 | 5 years | 106.62 | +0.22 | 107.85 | 0.67 | 7.53 |
| 2 | 5-15 years | 104.28 | +0.61 | 104.08 | 0.52 | 8.60 |
| 3 | Over 15 years | 106.68 | +0.59 | 106.05 | — | 8.55 |
| 4 | Irredeemables | 116.22 | +0.75 | 115.36 | — | 7.43 |
| 5 | All Stocks | 105.50 | +0.48 | 105.40 | 0.40 | 8.17 |
| 6 | Debentures & Loans | 81.87 | +0.14 | 81.75 | — | 7.83 |
| 7 | Preference | 61.93 | +0.03 | 61.92 | — | 5.10 |

| | AVERAGE GROSS REDEMPTION YIELDS | | Mon., Aug. 17 | Fri., Aug. 14 | Year ago (approx.) |
|---|---|---|---|---|---|
| | British Government | | | | |
| 1 | Low Coupons | 5 years | 12.37 | 12.50 | 12.08 |
| 2 | | 15 years | 13.03 | 13.06 | 12.08 |
| 3 | | 25 years | 13.27 | 13.32 | 12.08 |
| 4 | Medium Coupons | 5 years | 14.57 | 14.67 | 13.44 |
| 5 | | 15 years | 15.01 | 15.11 | 13.38 |
| 6 | | 25 years | 14.57 | 14.66 | 13.33 |
| 7 | High Coupons | 5 years | 14.50 | 14.62 | 13.60 |
| 8 | | 15 years | 15.20 | 15.30 | 13.75 |
| 9 | | 25 years | 14.83 | 14.90 | 13.58 |
| 10 | Irredeemables† | | 12.87 | 12.96 | 11.53 |
| 11 | Debs & Loans | 5 years | 15.62 | 15.63 | 14.35 |
| 12 | | 15 years | 15.86 | 15.88 | 14.15 |
| 13 | | 25 years | 15.93 | 15.94 | 13.96 |
| 14 | Preference† | | 15.92 | 15.92 | 14.50 |

† Flat yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 26½p.
●Corrected indices for August 11th and 10th.●Corrected indices for August 10, 11, 12 and 13.

# UNIT TRUST SERVICE

## OFFSHORE & OVERSEAS—contd.

**Clive Investments (Jersey) Ltd.**
P.O. Box 86, St. Peter Port, Guernsey. 0481 26521

**Hill Samuel Investment Mgmt. Intnl.**
P.O. Box 63, Jersey. 0534 27381

**Rothschild Asset Management (C.I.)**
P.O. Box 58, St. Julians Ct., Guernsey. 0481 26331

[illegible]

# FT UNIT TRUST INFORMATION SERVICE

## AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)

Allen Harvey & Ross Unit Tst. Mngrs.

Allied Hambro Ltd. (a) (g)

Anderson Unit Trust Managers Ltd.

Ansbacher Unit Mgmt. Co. Ltd.

Anthony Wieler Unit Tst. Mgmt. Ltd.

Arbuthnot Securities Ltd. (a)(c)

Archway Unit Tst. Mgs. Ltd.(a)(c)

Barclays Unicorn Ltd.(a)(c)(g)

Baring Brothers & Co. Ltd. (a)

Bishopsgate Progressive Mgmt. Co.

Bridge Fund Managers (a)(c)

Britannia Gp. of Unit Trusts Ltd.(a)(c)(g)

The British Life Office Ltd. (a)

Brown Shipley & Co. Ltd. (a)(g)

Buckmaster Management Co. Ltd.

Canada Life Unit Trust Mngrs. Ltd.

Cannon (James) Mngt. Ltd.

Carr, Sebag Unit Trust Managers(a)

Charbroo Charities N/R Funds

Charities Official Invest. Fund

Chieftain Trust Managers Ltd (a) (g)

Chouteston Fund Managers(a)

Confederation Funds Mgt. Ltd. (a)

Craigmount Unit Tst. Mgrs. Ltd.

Crescent Unit Tst. Mgrs. Ltd. (a)(g)

Darlington Unit Trust Mngt. Ltd.

Discretionary Unit Fund Managers

E. F. Winchester Fund Mngt. Ltd.

Equity & Law Un. Tr. M. (a) (b) (c)

Fidelity International Management Ltd.

James Finlay Unit Trust Mngt. Ltd.

Framlington Unit Mgt. Ltd. (a)

Robert Fraser Trust Mgt. Ltd.

Friends' Provdt. Unit Tr. Mgrs. (a) (b) (c)

Funds in Court*

G.T. Unit Managers Ltd.

G. & A. Trust (a) (g)

Gartmore Fund Managers (a) (g)

Gibbs (Antony) Unit Tst. Mgs. Ltd. (a)

Govett (John)

Grieveson Management Co. Ltd.

Guardian Royal Ex. Unit Mgrs. Ltd.

Henderson Administration (a) (b) (c)

Hexagon Services Ltd.

Hill Samuel Unit Tst. Mgrs.† (a)

Investment Intelligence Ltd. (a)

Key Fund Managers Ltd. (a)(g)

Kleinwort Benson Unit Managers

L & C Unit Trust Management Ltd.

Legal & General (Unit Tst.) Mngrs.) Ltd.

Leonine Administration Ltd.

Lloyds Bk. Unit Tst. Mngrs. Ltd. (a)

Lloyd's Life Unit Tst. Mngrs. Ltd.

Local Authorities' Mutual Invest. Tst.*

M & G Group (y)(c)(z)

Mayflower Management Co. Ltd.

McAnally Fund Management Ltd.

Mercury Fund Managers Ltd.

Midland Bank Group Unit Trust Managers Ltd.

Minster Fund Managers Ltd.

MLA Unit Trust Mngemt. Ltd.

Murray Johnstone U.T. Mgmt. (a)

Mutual Unit Trust Managers (a)(g)

National Provident Inv. Mngrs. Ltd.

National Westminster (a)

NEL Trust Managers Ltd. (a) (g)

Northgate Unit Trust Managers Ltd. (c)(y)

Norwich Union Insurance Group (b)

Pearl Trust Managers Ltd. (a)(g)(z)

Pelican Units Admin. Ltd. (g)(x)

Perpetual Unit Trust Mngmt. (a)

Practical Invest. Co. Ltd. (y)(c)

Provincial Life Inv. Co. Ltd.

Prudl. Portfolio Mngrs. Ltd. (a) (b) (c)

Quilter Management Co. Ltd.

Reliance Unit Mgrs. Ltd.

Ridgefield Management Ltd.

Rothschild Asset Management (a) (g) (z)

Rowan Unit Trust Mngt. Ltd. (a)

Royal Tst. Can. Fd. Mgrs. Ltd.

For Saban Fund Mngt. see SIMCO

Save & Prosper Group

Schroder Unit Trust Managers Ltd.

Scottish Amicable Inv. Mngrs.

Scottish Equitable Fund Mgrs. Ltd.

Scottish Widows' Fund Management

SIMCO Money Funds

Stewart Unit Tst. Managers Ltd. (a)

Sun Alliance Insurance Group

Sun Life Trust Mngt. Ltd.

Target Tst. Mngrs. Ltd. (a) (g)

Trades Union Unit Trust Managers

Transatlantic and Gen. Secs. Co. (y)

Tyndall Managers Ltd.(a)(b)(c)

TSB Unit Trusts (y)

Ulster Bank (a)

Unit Trust Account & Mgmt. Ltd.

## INSURANCE PROPERTY BONDS

Abbey Life Assurance Co. Ltd.

Albany Life Assurance Co. Ltd.

AMEV Life Assurance Ltd.

Black Horse Life Ass. Co. Ltd.

Canada Life Assurance Co.

Cannon Assurance Ltd.

Clerical Medical Investment

Commercial Union Group

Confederation Life Insurance Co.

Crown Life Insurance Co.

Eagle Star Insur/Midland Ass.

Equity & Law Life Ass. Soc. Ltd.

Family Assurance Society

General Portfolio Life Ins. C. Ltd.

Guardian Royal Exchange

Hambro Life Assurance Limited

Hearts of Oak Benefit Society

Henderson Administration

Lloyds Life Assurance

London Life Linked Assur. Ltd.

Manulife Group

Merchant Investors Assurance

NEL Pensions Ltd.

Norwich Union Insurance Group

Pearl Assurance (Unit Funds) Ltd.

Prudential Pensions Limited

Reliance Mutual

Royal Insurance Group

Save & Prosper Group

Scottish Widows' Group

Solar Life Assurance Limited

Sun Alliance Fund Mangmt. Ltd.

Sun Life Pensions Management Ltd.

Target Life Assurance Co. Ltd.

Transinternational Life Ins. Co. Ltd.

Trident Life Assurance Co. Ltd.

Tyndall Assurance/Pensions(a)(b)(c)

Vanbrugh Life Assurance

Vanbrugh Pensions Limited

Welfare Insurance Co. Ltd.

Windsor Life Assur. Co. Ltd.

## OFFSHORE & OVERSEAS FUNDS

Adig Investment

Albany Fund Management Limited

Alexander Fund

Allen Harvey & Ross Inv. Mgt. (C.I.)

Alliance International Dollar Reserves

Arbuthnot Securities (C.I.) Limited

B.L.L. Bond Investments AG

Bank of America International S.A.

Barclays Unicorn International

Bishopsgate Commodity Ser. Ltd.

Bridge Management Ltd.

Britannia Intl. Investment Mngt. Ltd.

Brown Shipley Tst. Co. (Jersey) Ltd.

Butterfield Management Co. Ltd.

CAL Investments (IoM) Ltd.

Capital International S.A.

Charterhouse Japhet

Clive Investments (Jersey) Ltd.

Cornhill Ins. (Guernsey) Ltd.

Continued on previous page

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Five to Fifteen Years

Over Fifteen Years

Undated

## INT. BANK AND O'SEAS GOVT. STERLING ISSUES

## CORPORATION LOANS

## COMMONWEALTH AND AFRICAN LOANS

| High | Low | Stock | Price £ | + or – | Int. | Red. Yield |
|---|---|---|---|---|---|---|
| 95¾ | 92¾ | Aust. 5½pc '81-82 | 95¾ | ..... | 5.83 | 14.94 |
| 87½ | 83½ | Do. 6pc 1981-83 | 84 | ..... | 7.62 | 15.62 |
| 67¾ | 59 | N.Z. 7½pc 1988-92 | 65¾ | ..... | 12.22 | 14.67 |
| 81¾ | 74 | Do. 7½pc '83-86 | 79¾ | ..... | 10.12 | 15.33 |
| 141 | 115 | S. Rhod. 2½pc Non-Ass. | 140 | ..... | — | — |
| 68 | 43 | Do. 3½pc 65-85 Assd. | 60 | ..... | 5.83 | 18.40 |
| 45 | 25 | Do. 4½pc 87-92 Assd. | 41 | ..... | 10.98 | 16.60 |
| 395 | 335 | Zimbabwe Ann (£100pd) | 392 | ..... | — | 21.11 |

## LOANS

Public Board and Ind.

Financial

## FOREIGN BONDS & RAILS

## AMERICANS

## CANADIANS

## BANKS AND HIRE PURCHASE

Hire Purchase, etc.

## BEERS, WINES AND SPIRITS

## BUILDING INDUSTRY, TIMBER AND ROADS

## CHEMICALS, PLASTICS

## DRAPERY AND STORES

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## ELECTRICALS—Continued

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## INDUSTRIALS—Continued

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 67 | 40 | Hewitt (J.) | 65 | +2 | 7.8 | 8.8 | 4.0 | 3.4 |
| 50 | 26 | Highgate & Job 50p | 35 | +1 | — | — | — | — |
| 162 | 40 | Hill (Chas.) £1 | 155 | ..... | — | — | — | — |
| 37 | 16 | Hirst Mal'son 20p | 31 | ..... | φ0.1 | — | 0.5 | — |
| 108 | 86 | Holden (A.) | 106 | ..... | 5.0 | 2.2 | 6.7 | 8.8 |
| 47 | 24 | Hollis Bros | 33 | ..... | — | — | — | — |
| 77 | 55 | Holt Lloyd Int. 10p | 71 | ..... | 3.17 | 1.5 | 6.4 | 13.5 |
| 163 | 105 | Hoover 'A' | 105 | −4 | †6.0 | — | ‡ | — |
| 78 | 39 | Hoskins & H 20p | 77 | ..... | 2.0 | — | 3.7 | — |
| 76 | 48 | Howard Tenens | 71xd | −1 | 1.56 | φ | 3.1 | φ |
| 420 | 250 | Hunting Assoc. | 310 | ..... | 5.0 | 5.8 | 2.3 | 7.8 |
| 160 | 112 | Huntleigh 10p | 145 | +1 | 1.5 | 3.2 | 1.5 | 18.0 |
| 226 | 120 | Hutch Whamp HK$2½ | 212 | ..... | Q32c | φ | 1.6 | φ |
| 15 | 11¾ | Hyman (I. & J.) 5p | 13½ | −½ | 0.83 | 3.9 | 8.8 | 3.3 |
| £20¼ | £12⅝ | I.C. Industries$1 | £20 | −¼ | Q$2.20 | — | 6.1 | — |
| 70 | 26 | ICL | 34 | ..... | ‡2.97 | — | ‡ | — |
| 44 | 35 | Ingall Inds. 10p | 42 | +3 | t2.5 | 1.6 | 8.5 | 11.6 |
| 245 | 188 | Initial Services | 244xd | +2 | 9.0 | 2.3 | 5.3 | 11.2 |
| 23 | 9 | Inter-City 20p | 17½ | +½ | — | — | — | — |
| 78 | 39 | J. B. Holdings 10p | 77 | ..... | 3.0 | 4.9 | 5.6 | 5.0 |
| 192 | 110 | Jacksons Bourne | 180 | ..... | 5.0 | φ | 4.0 | φ |
| 26½ | 12 | [illegible] 10p | 23 | ..... | 1.0 | 3.3 | 6.2 | 3.4 |
| 248 | 147 | Jardine M. SHK5 | 200 | −3 | Q88c | 2.8 | 4.3 | 12.4 |
| 25½ | 16½ | Jentique | 18½ | ..... | ‡1.03 | — | ‡ | — |
| 10 | 6½ | Johnson & Barnes | 7# | ..... | — | — | — | — |
| 249 | 152 | Johnson Clnrs. | 249 | +2 | 7.0 | 3.6 | 4.0 | 8.2 |
| *293 | 186 | Johnson Mthy. £1 | 253 | +3 | 9.5 | 2.3 | 4.6 | (10.8) |
| 92 | 75 | Jourdan (T.) 10p | 84 | ..... | 5.25 | 1.9 | 9.1 | 8.6 |
| 81 | 59 | Kalamazoo 10p | 59 | −1 | †3.75 | 1.4 | ‡ | 9.7 |
| 170 | 136 | Kelsey Inds. | 140 | ..... | †8.0 | 4.7 | 8.2 | 3.7 |
| 148 | 112 | Kennedy Sm. 10p | 146 | ..... | 4.38 | φ | 4.3 | φ |
| 330 | 255 | Kershaw (A.) 5p | 275 | ..... | 21.75 | 0.6 | 11.6 | [illegible] |
| 75 | 54 | Keen-E-Ze Hldgs. | 65 | ..... | 5.5 | 0.7 | 12.1 | [illegible] |
| 75 | 59 | L.C.P. Hlds. | 64 | ..... | 4.3 | 1.3 | 9.6 | [illegible] |
| 48½ | 37 | L.R.C. Int. 10p | 47½xd | −½ | 2.5 | φ | 7.5 | φ |
| 56 | 42 | Lawtex | 45 | −1 | ‡4.0 | 1.0 | ‡ | (11.9) |
| 177 | 116 | Lead Inds. 50p | 168 | −1 | 9.66 | 1.3 | 8.2 | 14.0 |
| 80 | 55 | [illegible] | 75 | ..... | 3.5 | 2.8 | 6.7 | 6.9 |
| 330 | 310 | Lep Group 10p | 325 | ..... | 16.5 | φ | 7.5 | φ |
| 28 | 13 | Lesney Prods. 5p | 24 | +1 | B— | — | — | — |
| 123 | 73 | Letraset 10p | 123 | +6 | 4Q7.14 | 1.3 | 8.3 | 12.7 |
| 45 | 28 | Lilleshall 10p | 42 | +2 | 3.5 | 2.7 | 11.9 | (3.5) |
| 36 | 25 | Lon. & Liv. 10p | 35 | ..... | 1.7 | 3.3 | 7.1 | 5.6 |
| 128 | 96 | London & Mid'd | 116xd | ..... | 7.75 | 1.3 | 9.5 | 10.0 |
| 49½ | 29 | Lon. & Nthn. Grp. | 41 | ..... | 3.75 | 2.5 | 13.1 | 3.5 |
| 8½ | 5½ | Long Hmbly. 10p | 7½ | ..... | — | — | — | — |
| 68 | 43 | Longton Inds. | 45 | ..... | 1.0 | — | 3.2 | — |
| 47 | 28 | Lonsdale Univsl. | 35 | +2 | ‡1.85 | 2.9 | ‡ | 5.8 |
| 20 | 20 | ††Lontrim | 20# | ..... | φ— | — | — | — |
| 212 | 158 | Low & Bonar 50p | 198 | +2 | 14.5 | 1.6 | 10.9 | (7.5) |
| 49 | 34 | M.Y. Dart. 10p | 39 | ..... | 2.9 | 1.8 | 10.6 | (6.3) |
| 168 | 123 | M'c'rthy Ph. 20p | 141xd | ..... | 7.0 | φ | 7.1 | φ |
| 78 | 71 | Macfarlane Gp. | 74 | ..... | 3.7 | 1.9 | 7.1 | 9.2 |
| 37 | 18 | MacLellan 20p | 37 | ..... | 1.43 | 1.7 | 5.5 | [illegible] |
| 77 | 59 | Macpherson (D.) | 69 | +4 | φ4.2 | 0.8 | 8.7 | 20.1 |
| 60 | 52 | Magnolia Group | 58 | ..... | 2.1 | 4.5 | 5.6 | 4.3 |
| 205 | 120 | Man. Ship Can. £1 | 130 | ..... | ‡7.5 | — | ‡ | — |
| 52 | 36 | Marley | 44xd | +1 | 2.25 | 1.6 | 7.3 | (10.9) |
| 25 | 14¼ | Marling Ind. 10p | 25 | ..... | 0.91 | φ | 5.5 | φ |
| 41 | 21 | Marshall L'xy. 'A' | 37 | ..... | 2.78 | 4.0 | 10.7 | 3.3 |
| 82 | 53 | Marshall's Univ | 68 | ..... | 0.1 | — | 0.2 | — |
| 25 | 12 | Martin-Black | 24 | ..... | — | — | — | — |
| £165 | £126 | Mathesons 7¾pc | £152 | +4 | Q7¾% | 2.3 | f5.1 | — |
| 208 | 156 | Maynards | 200 | +2 | 8.75 | 2.5 | 6.2 | (7.3) |
| 224 | 156 | Metal Box £1 | 180 | +4 | 10.71 | 1.0 | 8.5 | (15.8) |
| 120 | 78 | Metal Closures | 107 | ..... | 5.4 | 2.5 | 7.2 | 6.4 |
| 26 | 14 | Mettoy | 18 | ..... | 0.1 | — | 0.8 | — |
| 19 | 10 | Do. Defd. | 15 | ..... | — | — | — | — |
| 29 | 17 | Moben Grp. 10p | 20 | ..... | — | — | — | 4.9 |
| £161 | £119 | M'santo 5pc 82-86 | £155 | ..... | Q5% | — | f3.2 | — |
| 150 | 114 | Morgan Crucible | 132 | +4 | 7.5 | 1.6 | 8.1 | 9.2 |
| 25 | 15 | Moss (Robt.) 10p | 20 | ..... | 1.6 | φ | 11.4 | φ |
| 68 | 25 | Myson Gp. 10p | 68 | ..... | 1.0 | — | — | — |
| 58 | 40 | Nash (J. F.) Secs. | 40xd | ..... | ‡6.5 | 1.0 | ‡ | 6.9 |
| 34 | 24 | Nathan (B. & I.) | 23 | ..... | φ— | — | — | — |
| £46½ | £35 | N.C.R. 4% 93/98 | £41 | ..... | Q4% | φ | f9.9 | — |
| 65 | 25 | Neill&Sp'ncer 10p | 32 | ..... | ‡2.1 | — | ‡ | — |
| 28½ | 14 | New Equip 10p | 26 | ..... | 1.05 | 4.5 | 5.9 | 4.8 |
| 48 | 28 | Nolton | 32 | +4 | 0.6 | φ | 2.7 | φ |
| *111½ | 71 | Norcros | 108½ | ..... | 5.52 | 2.2 | 7.8 | 6.8 |
| 10 | 6 | Norvic Secs. 10p | 7# | ..... | — | — | — | — |
| 29 | 16½ | Nu-Swift 5p | 28½ | ..... | 2.05 | 1.6 | 10.3 | 8.5 |
| 140 | 78 | Oakwood Grp. | 131 | ..... | 6.5 | 3.4 | 7.2 | 5.1 |
| 410 | 317 | Office & Elect. | 410 | ..... | 7.0 | 3.5 | 2.4 | 15.8 |
| 180 | 66 | Ofrex 20p | 180 | ..... | ‡3.67 | 2.4 | 2.9 | (16.9) |
| 19 | 14 | Ovenstone 12½p | 16 | ..... | Q3c | 2.3 | 10.7 | 4.1 |
| £75 | £68½ | Ozalid Fin. Cv. | £68½ | ..... | Q9% | — | f13.5 | — |
| *34 | 18 | P.M.A. (Holdings) | 20 | ..... | φ‡1.25 | — | ‡ | — |
| 130 | 103 | Parker Knoll 'A' | 125 | ..... | 7.0 | 4.1 | 8.1 | 4.2 |
| 164 | 122 | Pauls & Whites | 164 | +1 | 6.5 | 3.2 | 5.7 | 6.0 |
| 93 | 72 | Peerless | 91 | ..... | 6.3 | φ | 10.3 | φ |
| 65 | 41 | Pentland 10p | 55 | ..... | 1.65 | 4.5 | 4.3 | 5.7 |
| 34 | 17 | Pentos 10p | 20 | ..... | d1.4 | — | 10.0 | — |
| 35 | 22 | Do. Defd. 20p | 24 | ..... | — | — | — | — |
| 48 | 32 | Petrocon 12½p | 48 | +1 | — | — | — | — |
| 21 | 12 | Phillips Patents | 21xd | ..... | 1.0 | — | 7.1 | — |
| 375 | 355 | Photo-Me 50p | 355 | ..... | 9.45 | 4.1 | 3.8 | 9.2 |
| 350 | 250 | Pilkington Br. £1 | 350 | +5 | 18.5 | 2.0 | 4.3 | 15.6 |
| £82 | £64 | Pitn'y Bowes Ln. | £65 | ..... | Q5½% | φ | 8.7 | — |
| 39 | 18 | Plastic Const. 10p | 26xd | ..... | d2.67 | 2.2 | 14.6 | 4.9 |
| 10 | 5 | Platignum 5p | 9 | ..... | 0.01 | — | — | — |
| 160 | 70 | Polymark 10p | 92 | +2 | 3.7 | φ | 5.9 | φ |
| *505 | 380 | Portals | 500 | +3 | 12.25 | 3.3 | 3.5 | 9.4 |
| 286 | 213 | Powell Duff. 50p | 272 | +14 | 14.25 | 2.0 | 7.5 | (7.8) |
| 82 | 58 | Press (Wm.) Grp. 10p | 82 | +2 | g2.76 | 2.4 | 4.9 | 10.2 |
| 146 | 118 | Prestige Group | 145xd | ..... | 6.88 | 2.4 | 6.8 | 7.5 |
| 173 | 111½ | Pritchard Svs. 5p | 167½ | +½ | 3.5 | 2.2 | 3.0 | 19.2 |
| 49 | 35 | R.F.D. Group 10p | 49xd | ..... | 2.8 | φ | 8.2 | φ |
| 64 | 47 | Radiant Mtl. 12½p | 63 | +6 | 3.8 | φ | 7.0 | φ |
| 216 | 150 | Rank Org. | 166 | ..... | 10.8 | 1.7 | 9.6 | 7.4 |
| 296 | 174 | Reckitt & Colman | 296 | +12 | 8.5 | 2.0 | 4.1 | (14.0) |
| 200 | 146 | Redfearn Glass | 151 | +3 | ‡10.56 | — | ‡ | — |
| 47 | 36 | Reed Exec. 10p | 41 | ..... | 1.5 | 1.0 | 5.2 | (26.2) |
| 286 | 180 | Reed Intl. £1 | 286 | +2 | 13.0 | 3.0 | 6.5 | (5.7) |
| 121 | 73 | Relyon | 119xd | ..... | ‡4.8 | 2.4 | 6.1 | 7.9 |
| 285 | 125 | Renown Inc. Y50 | 282 | ..... | Q22½% | — | 1.2 | — |
| 90 | 68 | Renwick Group | 85 | ..... | ‡3.5 | 3.3 | ‡ | 5.7 |
| 88 | 62 | Restmor | 88 | ..... | 4.0 | 4.3 | 6.5 | 4.3 |
| 39 | 18 | Rexmore | 29xd | ..... | 1.0 | — | 4.9 | — |
| *500 | 420 | Ricardo | 490 | ..... | 18.5 | 3.8 | 2.5 | 13.1 |
| 79 | 39 | Riley (E.J.) 10p | 76 | ..... | 3.5 | 1.5 | 6.6 | 14.0 |
| 29 | 20 | Roche Plant 10p | 27 | ..... | 1.2 | 0.2 | 6.4 | — |
| 19 | 12 | Rock Darham 10p | 19 | ..... | — | — | — | φ |
| 79 | 43 | Rockware | 64 | +1 | 2.1 | 5.1 | 4.7 | 4.5 |
| 68 | 46 | Rolfe & Nolan 10p | 56 | −1 | 1.5 | 2.7 | 3.9 | 11.4 |
| 225 | 166 | Ropner Hldgs. | 207 | −1 | 6.5 | 4.0 | 4.5 | 7.0 |
| 222 | 162 | Do. 'A' | 207 | ..... | 6.5 | 4.0 | 4.5 | 7.0 |
| 17 | 8 | Rotaprint 20p | 11 | ..... | 0.1 | — | 1.3 | — |
| 42 | 35 | Rowan & Boden | 36 | ..... | 2.21 | 3.0 | 8.8 | (4.2) |
| 293 | 205 | Royal Worcs. | 240 | ..... | 8.6 | 3.5 | 5.1 | 6.6 |
| 278 | 145 | Russell (A.) 10p | 278 | +8 | 2.5 | φ | 1.3 | φ |
| 16½ | 12 | Ryan (L.) 5p | 12 | ..... | — | — | — | 10.6 |
| 114 | 83 | St. George's Ly. 10p | 102 | ..... | 3.0 | 2.9 | 4.2 | (9.3) |
| £12¾ | 810 | St.-Gobain Frs.100 | 810 | ..... | Q18.3% | φ | 20.8 | φ |
| 223 | 166 | Sale Tilney | 220 | ..... | 7.5 | 3.5 | 4.9 | 6.5 |
| 61 | 43 | Sandhurst Mkt. 10p | 52 | ..... | 1.93 | 2.4 | 5.3 | 9.1 |
| 85 | 40 | Sangers Grp. | 81 | −1 | 1.8 | — | 3.2 | — |
| 164 | 93 | Scapa Group | 164 | +2 | 6.55 | 2.6 | 5.7 | 10.2 |
| £37¾ | £26½ | Schlumberger $1 | £37½ | −1 | [illegible] | — | 1.2 | — |
| 140 | 120½ | Scotcros | 130 | −2 | 5.52 | 2.4 | 6.1 | (7.9) |
| 36 | 28 | Scot. Heritable | 36 | ..... | 2.5 | 1.5 | 9.9 | (8.5) |
| 71 | 52 | Sears Hldgs. | 62 | +½ | 2.3 | 2.3 | 5.5 | 11.2 |
| 198 | 160 | Securicor Gp. | 198 | ..... | †1.61 | 7.5 | 1.2 | 15.3 |
| 187 | 152 | Do. 'A' N-V | 187 | ..... | †1.61 | 7.5 | 1.2 | 14.5 |
| 198 | 160 | Security Services | 198 | ..... | †2.71 | 3.4 | 2.0 | 17.9 |
| 188 | 154 | Do. 'A' N-V | 188 | ..... | †2.71 | 3.4 | 2.1 | 16.9 |
| 155 | 103 | Sharna Ware 20p | 140 | ..... | 3.47 | 3.0 | 3.5 | 8.1 |
| 222 | 94½ | Sidlaw Inds 50p | 222 | +2 | †3.0 | — | 1.9 | — |
| 190 | 156 | Siebe Gorman | 183xd | +10 | 7.26 | 2.6 | 5.7 | 7.8 |
| 93 | 47 | Silentnight 10p | 90 | ..... | 3.5 | 2.4 | 5.6 | 9.1 |
| 37 | 23 | Silv'rthorne 10p | 36 | ..... | 1.5 | 2.4 | 6.9 | 7.0 |
| 80 | 62 | Simpson (S.) 'A' | 78 | ..... | ‡4.26 | 2.2 | ‡ | 7.7 |
| 277 | 235 | Sketchley | 277 | ..... | 9.0 | 2.2 | 4.6 | 24.1 |
| 113 | 77 | Smith&Neph. 10p | 112 | ..... | †3.47 | 2.1 | 4.5 | (12.6) |
| 401 | 256 | Smiths Inds. 50p | 385 | +13 | φ10.0 | 4.2 | 3.7 | 10.3 |
| 29 | 21 | Solic. Law 20p | 22 | ..... | — | — | — | — |
| 21 | 14 | Sonic | 20 | ..... | 1.0 | φ | 7.1 | φ |
| 510 | 423 | Sotheby P.B. | 458 | ..... | ‡12.5 | 2.4 | 4.1 | 21.7 |
| 100 | 65 | Sparrow (G. W.) 20p | 76 | ..... | 2.0 | 2.9 | 3.8 | (10.2) |
| 125 | 95 | Spear (J.W.) | 95xd | ..... | 6.0 | φ | 9.0 | φ |
| 121½ | 93 | Spring Grove | 97½ | +1 | 4.0 | 2.5 | 5.9 | 7.6 |
| 59 | 42 | Staffs. Potts | 42 | −2 | ‡1.13 | 3.5 | ‡ | 8.1 |
| 180 | 83 | Stag Furniture | 95 | ..... | 5.0 | 2.0 | 7.5 | 7.9 |
| 137 | 78 | Std. Fireworks | 131 | ..... | 7.5 | 1.7 | 8.2 | 4.7 |
| 95 | 49 | Standard Ind. | 61 | −2 | 1.85 | 3.3 | 4.3 | 7.6 |
| 222 | 152 | Steetley | 200 | +3 | 10.5 | 1.7 | 7.5 | (9.3) |
| 90 | 50 | Stelux Manf. HK$1 | 74 | ..... | NQ40c | — | 4.6 | — |
| 35 | 30 | Sterling Inds. 2½p | 34 | ..... | 1.55 | 0.8 | 6.9 | (18.7) |
| 133 | 72 | Stocklake | 117 | ..... | †4.0 | 8.4 | 4.9 | 2.6 |
| 178 | 92 | Stonehill Hlds. | 110 | ..... | 8.5 | φ | 12.0 | φ |
|  |  | For Sumner (F.) see Textiles |  |  |  |  |  |  |
| 110 | 84 | Sunlight Serv. 10p | 99 | ..... | 2.5 | 4.0 | 3.6 | 8.1 |
| 50 | 36 | Sutcliffe Speak. | 45 | ..... | — | — | — | — |
| £13½ | 875 | Swedish Match K50 | £13½ | ..... | Q14% | 1.4 | 5.4 | 13.4 |
| 188½ | 97 | Swire Pac. A 60c | 152 | −2 | Q60c | 1.7 | 3.7 | 16.1 |
| 178 | 140 | Syltone | 164 | ..... | d9.0 | 0.9 | 7.8 | (13.5) |
| 6½ | 4 | Talbex 5p | 4½ | ..... | — | — | — | — |
| *119 | 92 | TSL Th'mal Synd | 115 | +2 | φ7.0 | 2.2 | 8.7 | 6.3 |
| 10 | 7 | Th. Times Vn. 5p | 8 | ..... | — | — | — | — |
| 39 | 33 | Third Mile Inv | 37 | ..... | 1.58 | 1.9 | 6.1 | [illegible] |
| 165 | 112 | TNT A$0.50 | 152 | ..... | tQ12c | 3.7 | 4.5 | 5.7 |
| 195 | 134 | Tilling T. 20p | 165 | −1 | 7.5 | 2.1 | 5.8 | (9.5) |
| 58 | 26 | Toothill R.W. | 49 | ..... | 3.5 | φ | 10.2 | φ |
| 69 | 47 | Toye | 53 | ..... | 1.63 | — | 4.4 | — |
| 107 | 75 | Trafalgar H. 20p | 105 | +1 | ‡5.85 | 2.1 | 8.0 | 8.2 |
| 85 | 68 | Transport Dev. | 77 | ..... | 4.25 | 2.1 | 8.0 | 7.1 |
| 102 | 92 | Trident Comp 10p | 102 | ..... | bd1.5 | 4.0 | 2.1 | 17.1 |
| 66 | 51 | Triefus | 64 | +3 | 2.88 | 3.1 | 6.4 | (5.6) |
| 118 | 70 | Turner & New. £1 | 91 | ..... | 6.0 | — | 9.4 | — |
| 75 | 50 | UKO Intl. | 58 | ..... | 5.0 | 1.2 | 12.3 | (8.8) |
| 625 | 438 | Unilever | 625 | +15 | 22.91 | 2.6 | 5.2 | 8.3 |
| £18⅝ | £12¾ | Un'v N.V. Fl.12 | £18⅝ | +¼ | Q55.6% | 2.6 | 7.0 | 5.4 |
| 166 | 115 | Utd. Carriers 10p | 155xd | −1 | 3.5 | 3.6 | 3.2 | 10.8 |
| 76 | 45 | United Gas Inds. | 76xd | ..... | 4.9 | φ | 9.2 | φ |
| 20 | 9½ | U. Guarantee 5p | 19 | −1 | ‡0.5 | — | ‡ | — |
| 24 | 14 | Unochrome 10p | 24 | ..... | φ0.65 | 5.9 | 3.9 | 5.9 |
| 70 | 36½ | Valor | 59½xd | ..... | 2.66 | 2.2 | 6.4 | (8.1) |
| 16½ | 11 | Viners 10p | 15# | ..... | — | — | — | — |
| 356 | 174 | Vinten Grp. 20p | 356 | +10 | 3.5 | 4.2 | 1.4 | 22.9 |
| *22 | 10 | 'W' Ribbons 10p | 10 | ..... | — | — | — | — |
| 117 | 78 | W.G.I. | 80 | ..... | 6.0 | 0.3 | 10.7 | — |
| 55 | 41 | Wade Potts. 10p | 44 | ..... | 2.0 | 4.1 | 6.5 | 5.0 |
| 10½ | 7 | Walker Hmr. 5p | 9 | ..... | — | — | — | — |
| 146 | 98 | Ward (T. W.) | 143 | +2 | 17.2 | 2.5 | 7.2 | 7.7 |
| 23 | 19 | Waterford 5p | 21 | −1 | Q35.5% | 1.9 | 6.5 | 9.4 |
| 415 | 342 | Watshams | 415 | ..... | 30.0 | φ | 3.5 | φ |
| 103 | 56 | Watson R. K. 10p | 80 | ..... | d3.3 | 1.4 | 5.9 | 16.9 |
| 92½ | 51 | Wedgwood | 92 | ..... | 3.3 | 2.9 | 5.1 | 8.1 |
| 158 | 93 | Westn. Board 10p | 153 | ..... | 5.9 | 2.3 | 5.3 | 11.6 |
| 85 | 43 | [illegible] HK$1 | 70 | −1½ | hQ22½c | φ | 3.0 | φ |
| 173 | 70 | Whatman R Angel | 170 | ..... | 3.5 | 2.6 | 2.9 | (18.0) |
| 72 | 41 | Whitecroft | 57 | +1 | 3.85 | 1.3 | 9.6 | [illegible] |
| 87 | 73 | Wilkes (J.) | 78 | ..... | 4.13 | 1.5 | 7.6 | [illegible] |
| 44 | 16 | Wilkins Mitchell | 22 | +1 | — | — | — | — |
| 37 | 20 | Williams (J.) | 21 | ..... | ‡2.85 | — | ‡ | — |
| 99 | 50 | Wills (George) | 99 | +5 | 4.5 | 2.6 | 6.5 | 7.0 |
| 51 | 28 | [illegible] 5p | 50 | ..... | 0.75 | φ | 2.1 | φ |
| 15 | 11 | Wood & Sons 5p | 11 | ..... | ‡0.7 | — | ‡ | — |
| 25 | 13½ | Wood (Arthur) 5p | 21 | ..... | 1.0 | 4.4 | 6.8 | 4.1 |
| 168 | 85 | Wood Hall | 159 | ..... | 6.21 | 1.6 | 6.4 | (11.8) |
| 100 | 89 | ††Zygal Dyn. 5p | 100 | ..... | u0.75 | 6.3 | 1.1 | 15.7 |

## INSURANCE

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 25 | 13 | Brentnall Bd. 10p | 25 | ..... | — | — | — | — |
| 298 | 214 | Britannic 5p | 298 | +4 | †13.9 | — | 7.0 | — |
| £12¼ | 735 | Combined Int. $1 | £11¾ | −⅛ | Q$1.60 | — | 7.6 | — |
| 167 | 135 | Comm. Union | 168 | ..... | †10.8 | — | 9.5 | — |
| 327 | 221 | Eagle Star | 310 | −1 | †15.0 | — | 6.9 | — |
| 25 | 18 | Edn. Gen. Ins. 10p | 20 | ..... | †1.0 | — | 7.1 | — |
| £129 | £109 | [illegible] UK 9% Cnv. | £118 | ..... | Q9% | — | f7.6 | — |
| 424 | 284 | Equity & Law 5p | 424 | +20 | 13.0 | — | 4.4 | — |
| 364 | 294 | Gen. Accident | 380 | −4 | †13.5 | — | 5.2 | — |
| *370 | 263 | G.R.E. | 370 | ..... | 15.5 | — | 6.0 | — |
| 433 | 227 | Hambro Life 5p | 426 | ..... | d9.6 | — | 3.2 | — |
| 315 | 167 | Heath (C.E.) 20p | 313 | −2 | 10.5 | 2.3 | 4.8 | 10.7 |
| 128 | 98 | Hogg Robinson | 126xd | ..... | 6.0 | 2.6 | 7.4 | 8.8 |
| 134 | 88 | Howden (A.) 10p | 132 | −2 | 7.0 | 1.7 | 7.6 | 10.1 |
| £71 | £34 | Do. Warrants | £71 | +1 | — | — | — | — |
| 324 | 247 | Ins. Corp. Ireland | 315 | +3 | Q60.7% | 3.24 | 3.7 | 9.5 |
| 268 | 187 | Legal & General | 260 | +1 | 9.0 | — | 4.9 | — |
| £11¼ | £10⅛ | Liberty Life SA R1 | £10⅝ | ..... | Q120c | — | 6.8 | — |
| 308 | 184 | Lon. & Man. 5p | 304 | +10 | 10.5 | — | 4.9 | — |
| 230 | 170 | London United 20p | 218 | −2 | 9.0 | 2.0 | 5.9 | 12.3 |
| £20¼ | £12⅝ | Marsh McLen'n $1 | £19⅝ | −⅛ | Q$2.00 | — | 5.6 | — |
| 155 | 84 | Minet Hldgs. 20p | 146 | ..... | 4.55 | 1.8 | 4.5 | 17.8 |
| 21 | 21 | Moran (Chris) 20p | 21# | ..... | 4.0 | 1.2 | 27.2 | 4.4 |
| 472 | 385 | Pearl 5p | 450 | +4 | 20.0 | — | 6.4 | — |
| 304 | 240 | Phoenix | 302 | ..... | 14.9 | — | 7.0 | — |

## INSURANCE—Continued

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 330 | 106 | Provident | [illegible] | [illegible] | [illegible] | — | 4.9 | — |
| 257 | 209 | Prudential | 230 | +2 | 12.0 | — | 6.3 | — |
| 276 | 194 | Refuge 5p | 266 | [illegible] | 12.3 | — | 6.6 | — |
| *425 | 332 | Royal | 417 | +5 | [illegible] | — | [illegible] | — |
| 157 | 104 | Sedgwick 10p | 135 | −1 | 5.0 | 2.0 | [illegible] | [illegible] |
| 101 | 79 | Stenhouse | 95 | −2 | 6.25 | [illegible] | 7.3 | [illegible] |
| 261 | 180 | Stewart Wr. 20p | [illegible] | ..... | 12.0 | [illegible] | 7.8 | [illegible] |
| £10 | 688 | Sun Alliance £1 | [illegible] | [illegible] | [illegible] | — | [illegible] | — |
| 323 | 233 | Sun Life 5p | 314 | +2 | [illegible] | — | 4.2 | — |
| 758 | 543 | Taisho Mar. Y50 | [illegible] | [illegible] | [illegible] | — | [illegible] | — |
| 208 | 185 | Trade Indemnity | [illegible] | [illegible] | [illegible] | — | [illegible] | — |
| £27½ | £15¾ | Travelers $2.50 | [illegible] | [illegible] | Q$2.00 | — | 6.3 | — |
| 392 | 257 | Willis Faber | 372 | +2 | 12.0 | 2.0 | 4.6 | 15.6 |

## LEISURE

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 63½ | 56½ | A-R TV Pref. £1 | 56½ | ..... | 3.95 | φ | 15.0 | — |
| 93 | 72 | Anglia TV 'A' | 91 | [illegible] | [illegible] | 4.6 | 7.8 | [illegible] |
| 148 | 108 | Assoc. Leisure 5p | 113xd | −1 | 5.25 | 2.2 | 6.6 | 7.9 |
| 84½ | 61 | Barr & W.A.T. 'A' | 70 | ..... | 3.0 | — | [illegible] | — |
| 65 | 30 | Black Edgtn. 50p | 62 | ..... | 1.0 | — | [illegible] | — |
| 192 | 121 | Boosey & Hawkes | 165 | ..... | 5.67 | — | 5.0 | — |
| 56 | 34 | Campari Int. 20p | 47 | +1 | [illegible] | 1.7 | [illegible] | [illegible] |
| 60 | 28 | [illegible] 10p | 39 | +1 | [illegible] | 1.2 | [illegible] | [illegible] |
| 58 | 29 | [illegible] | 33 | ..... | [illegible] | [illegible] | [illegible] | [illegible] |
| 46 | 38 | Grampian TV A 10p | 39 | ..... | 2.75 | 2.0 | 10.1 | 5.0 |
| 103 | 76 | HTV Non.Vtg. | 98 | +1 | 12.0 | [illegible] | [illegible] | [illegible] |
| 104 | 64 | [illegible] Leisure | 71 | ..... | [illegible] | 2.9 | 5.6 | [illegible] |
| *294 | 117 | Horizon | 287 | −7 | ‡6.0 | 5.1 | 2.5 | [illegible] |
| 96 | 69 | ‡Intasun 10p | 92 | +6 | [illegible] | [illegible] | [illegible] | [illegible] |
| 64 | 29 | ††Intervision 10p | 49 | ..... | — | — | — | — |
| 27 | 15 | Lancaster (D.M.) 5p | 23 | [illegible] | 0.61 | 2.3 | 3.4 | [illegible] |
| 109 | 68 | LWT "A" | 109 | +2 | 10.07 | 1.8 | 13.2 | [illegible] |
| 216 | 147 | [illegible] 10p | [illegible] | ..... | 8.75 | [illegible] | [illegible] | [illegible] |
| 69 | 47 | [illegible] 10p | 65 | ..... | ‡2.7 | 5.9 | 6.0 | [illegible] |
| 12 | 8 | ††[illegible] 5p | 9 | ..... | — | — | — | [illegible] |
| 50 | 33 | Norton & Wr. 10p | 38xd | ..... | 1.0 | [illegible] | [illegible] | [illegible] |
| *77 | 69 | [illegible] | 71 | ..... | [illegible] | [illegible] | [illegible] | [illegible] |
| 13 | 9 | ††Pan Atlas 20p | 9 | ..... | — | — | — | — |
| 62 | 38 | Photax (Lon.) | 58 | ..... | 3.5 | [illegible] | [illegible] | [illegible] |
| 335 | 182 | Pleasurama 5p | [illegible] | −3 | [illegible] | [illegible] | [illegible] | [illegible] |
|  |  | For Rad. TV Pref. See A-R TV Pref. |  |  |  |  |  |  |
| 368 | 232 | Saga Hols. 20p | 355 | +3 | [illegible] | [illegible] | [illegible] | [illegible] |
| 310 | 145 | Samuelson 25p | 250 | ..... | [illegible] | [illegible] | 6.0 | — |
| 89 | 66 | Scott. TV 'A' 10p | 67 | +3 | [illegible] | [illegible] | [illegible] | [illegible] |
| 11½ | 6 | ††Tom Hill | 6 | ..... | — | — | — | [illegible] |
| 57 | 43 | Trid'nt TV 'A' 10p | 50 | ..... | 4.0 | 1.6 | 10.6 | 8.5 |
| 34½ | 20 | Webb (Jos.) 5p | 27½ | ..... | 0.56 | [illegible] | [illegible] | [illegible] |
| 24½ | 18½ | Westward TV 10p | [illegible] | ..... | ‡1.5 | [illegible] | 9.[illegible] | [illegible] |
| 112½ | 75 | Zetters 5p | 103 | ..... | [illegible] | [illegible] | 5.5 | [illegible] |

## MOTORS, AIRCRAFT TRADES

### Motors and Cycles

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 23 | 15 | B.L. 50p | 18 | ..... | — | — | — | — |
| 150 | 91 | Gen. Mtrs. Units | 134xd | −1 | Q$2c | — | 5.0 | — |
| 60 | 45 | ‡Hesketh Motor 50p | 50 | ..... | — | — | — | — |
| 280 | 100 | Honda Motor | 258 | ..... | Q15% | 11.9 | 0.4 | 19.1 |
| 35 | 18 | Lotus Car 10p | 34 | +5 | — | — | — | 8.5 |
| 8½ | 5½ | ‡Reliant Motor 5p | 7 | ..... | — | — | — | — |
| £17½ | 750 | Volvo Kr50 | £16¼ | ..... | Q15% | 5.4 | 5.2 | 3.6 |

### Commercial Vehicles

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 56 | 35 | E.R.F. (Hldgs.) | 44 | ..... | 0.2 | — | 0.3 | — |
| 157 | 118 | Plaxtons (GB) | 120 | ..... | 6.5 | 4.6 | 10.1 | 2.2 |
| 21 | 13 | York Trailer 10p | 17 | +2 | B— | — | — | — |

### Components

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 55 | 35½ | A.E. | 45½ | +½ | [illegible] | — | — | — |
| 72 | 61½ | Abbey Panels | 66 | ..... | d2.05 | 8.1 | 4.4 | 4.0 |
| 28 | 15 | Airflow Stream | 17½ | ..... | 0.1 | — | 0.8 | — |
| 54 | 35 | Armst'ng Eq. 10p | 42 | +2 | ‡2.73 | 3.7 | ‡ | 2.1 |
| 75 | 42 | Automotive | 63 | −1 | [illegible] | — | ‡ | — |
| 45 | 21 | Bluemel Bros. | 28 | ..... | ‡3.3 | 1.7 | ‡ | 4.4 |
| 29½ | 19 | Brown Bros. 10p | 19½ | ..... | [illegible] | 3.2 | ‡ | (2.3) |
| £17¼ | 896 | Dana Corp $1 | £15½ | ..... | Q$1.60 | — | 5.0 | — |
| 37 | 25 | ††Delight | 26 | ..... | ‡3.0 | 2.4 | ‡ | 5.1 |
| 305 | 187 | Dowty 50p | 258 | +6 | 5.0 | 3.2 | 2.7 | [illegible] |
| 87 | 57 | Dunlop 50p | 76 | ..... | 4.0 | — | 7.5 | — |
| *387 | 229 | Flight Refuelling | 330 | +5 | [illegible] | 6.2 | 1.6 | 10.6 |
| 24 | 18½ | Hmn. Smith 10p | 23 | ..... | [illegible] | 2.7 | 2.3 | 7.2 |
| 112 | 80 | Kwik-Fit Hldgs. 10p | 97 | ..... | [illegible] | [illegible] | 2.0 | 22.2 |
| 240 | 159 | Lucas Inds. £1 | 221 | +1 | 11.0 | — | 7.1 | — |
| 58 | 44 | Solex (UK) A 50p | 50 | ..... | 0.1 | — | [illegible] | — |
| 61 | 44 | Supra Group 10p | 55 | +1 | 2.6 | 1.8 | 5.2 | [illegible] |
| 47 | 29 | Woodhead (J.) | 38 | ..... | 0.1 | — | 0.4 | — |

### Garages and Distributors

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 80 | 47 | Adams Gibbon | 68 | ..... | 3.75 | 1.5 | 8.0 | (8.8) |
| 11¼ | 7½ | Alexanders 10p | 10½ | ..... | — | — | — | [illegible] |
| 63 | 34 | Appleyard Grp. | 61 | +1 | — | — | — | — |
| 116 | 77 | Arlington Motor | 80 | ..... | 5.0 | 0.5 | [illegible] | [illegible] |
| 72 | 58 | Attwood Garages | 69 | +5 | ‡2.45 | — | ‡ | — |
| 23 | 11½ | BSG Int. 10p | 17 | ..... | — | — | — | — |
| 30 | 16 | Braid Group 5p | 30 | +2 | — | — | — | — |
| 114 | 83 | Bramall (C. D.) | 109 | ..... | d5.55 | 3.2 | 7.3 | 5.7 |
| *87½ | 63½ | Brit. Car Auct. 10p | 76 | ..... | [illegible] | 1.8 | 6.0 | [illegible] |
| 138 | 96 | Caffyns 50p | 93 | +2 | 4.5 | — | 6.6 | — |
| 48 | 26½ | Cowie (T.) 5p | 32½ | ..... | 3.0 | [illegible] | [illegible] | 4.3 |
| 96 | 36 | Davis Godfrey | 94 | ..... | 3.5 | 2.9 | 5.4 | 9.2 |
| 36 | 29 | Dorada | 35 | ..... | 2.1 | — | 8.6 | — |
| 53 | 36 | Gates (F.G.) | 51 | ..... | 2.8 | 4.9 | 5.6 | 4.8 |
| 38 | 30 | Glanfield Lawr. | 34 | ..... | — | — | — | — |
| 43 | 23 | Hanger Invs. 10p | 35 | ..... | — | — | — | — |
| 75 | 49 | Harrison (T.C.) | 74 | ..... | 2.95 | 2.7 | 5.7 | 9.2 |
| 106 | 72 | Hartwells | 87 | +3 | 5.37 | 1.7 | 8.6 | (3.4) |
| 99 | 69 | Henlys 20p | 86 | +2 | 6.0 | — | 10.0 | — |
| 31½ | 23 | Kenning? Mtr. Grp. | 30xd | +5 | [illegible] | — | 3.0 | — |
| 47 | 38 | Hurst (Charles) | 44 | ..... | 2.98 | φ | 10.5 | φ |
| 36 | 23½ | Jessups | 30 | ..... | 2.0 | — | 9.5 | — |
| 67½ | 65 | Kenning Mtr. | 67½xd | ..... | 5.5 | 0.2 | 11.6 | — |
| 116 | 81 | Lex Service Grp. | 116xd | +2 | 7.0 | 1.5 | 8.6 | (7.2) |
| 56 | 35 | Lookers | 46xd | ..... | 3.85 | 2.6 | 12.0 | 5.7 |
| 14½ | 10 | Manor Nat. Grp 20p | 13½ | ..... | — | — | — | — |
| 12 | 8 | Nelson David 5p | 8½ | ..... | — | — | — | — |
| 100 | 67 | Perry (H.) Mtrs. | 95 | +3 | 3.5 | 2.9 | 5.5 | 8.4 |
| 67 | 34 | Quick (H. & J.) 10p | 46 | ..... | 1.15 | 1.2 | 3.6 | (30.7) |
| 94 | 56 | Tate of Leeds | 84 | +2 | 1.25 | 16.5 | 2.1 | 2.9 |
| 90 | 72 | Western Mtr. | 80 | ..... | — | — | — | — |

## NEWSPAPERS, PUBLISHERS

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 313 | 202 | Ass. Book P. 20p | 313 | ..... | 7.5 | 1.5 | 3.4 | (21.0) |
| 293 | 213 | Assoc. News | 257 | ..... | φ10.4 | 3.0 | 6.3 | 6.6 |
| 180 | 65 | BPM Hldgs. 'A' | 180 | ..... | ‡5.25 | 2.7 | 7.5 | 5.5 |
| 74 | 47 | Benn Brothers | 74 | +3 | 3.5 | φ | 7.6 | φ |
| 80 | 65 | Black (A. & C.) | 80 | ..... | 2.0 | — | 3.6 | — |
| 210 | 103 | Bristol Post | 263 | ..... | 17.0 | 0.2 | [illegible] | [illegible] |
| 263 | 122 | Collins William | 225 | ..... | b7.5 | 2.4 | 4.8 | (5.9) |
| 173 | 99 | Do. "A" | 185 | ..... | b7.5 | 2.4 | 7.0 | (8.4) |
| 523 | 420 | Daily Mail 'A' 50p | 480 | +3 | ‡26.0 | [illegible] | 6.6 | 12.5 |
| 118 | 82 | E. Mid. Allied 'A' | 120 | ..... | 3.5 | 3.0 | 4.3 | 14.1 |
| 201 | 88 | Gordon & Gotch | 156xd | ..... | s7.5 | φ | 6.9 | φ |
| 140 | 110 | Haynes Pub. | 130 | ..... | ‡7.0 | 0.5 | 7.7 | 27.5 |
| 80 | 50 | Home Counties | 75 | ..... | 6.5 | 1.2 | 12.3 | [illegible] |
| 115 | 98 | Independent | 100 | ..... | Q6.5% | 1.4 | 12.1 | 5.6 |
| 315 | 220 | Int. Thomson | 290 | ..... | ‡12.35c | — | 2.8 | — |
| 315 | 224 | Do. Conv. | 285 | +1 | 10.5 | — | 5.1 | — |
| 235 | 215 | Link House 20p | 224 | ..... | 10.4 | 2.0 | 5.1 | 12.5 |
| 148 | 81 | L'pool D. Post 50p | 142 | +2 | 9.5 | φ | 9.5 | φ |
| 153 | 68 | News Int. Sp. Div. | 125 | +3 | g4.5 | 5.5 | 5.3 | 7.7 |
| 185 | 149 | Pearson Longman | 176 | +3 | 8.56 | 2.5 | 6.2 | 5.3 |
| 125 | 75 | Portsm'th & Sund. | 108 | ..... | 3.25 | 2.4 | 4.3 | 6.2 |
| 122 | 110 | Routledge & KP | 122xd | +7 | 3.0 | 3.2 | 3.5 | 10.4 |
| 375 | 220 | Stone (W.H.) [illegible] | 345 | ..... | 7.0 | 5.3 | 2.7 | 6.8 |
| 225 | 185 | Utd. Newspapers | 205 | +2 | 12.0 | 2.5 | 8.4 | [illegible] |
| 56 | 33 | Webster Grp. 5p | 53 | ..... | 2.3 | 2.1 | 6.2 | 9.7 |

## PAPERS, PRINTING ADVERTISING

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| *29½ | 21 | ‡A.I.D. 10p | 23 | ..... | [illegible] | — | 1.6 | — |
| 38 | 24 | Assoc. Paper | 37 | ..... | [illegible] | 1.1 | [illegible] | [illegible] |
| 41 | 30 | Ault & Wiborg | 35xd | ..... | [illegible] | 2.7 | [illegible] | 5.7 |
| 22½ | 12 | BPC | 21 | ..... | B— | — | — | — |
| 63 | 25 | Bemrose | 56 | ..... | 1.5 | 1.3 | 3.8 | [illegible] |
| 85 | 50 | Brunning Grp. | [illegible] | ..... | [illegible] | — | [illegible] | — |
| 80 | 42 | Do. Restrtc. V.g. | 62 | ..... | [illegible] | — | [illegible] | — |
| 147 | 109 | Bunzl Pulp | 144 | +7 | 7.26 | 3.2 | 7.2 | 6.0 |
| 35 | 25 | Capseals 5p | 33 | ..... | [illegible] | 3.0 | 13.5 | 2.9 |
| 33 | 23 | Causton (Sir J.) | 31 | ..... | 2.01 | 2.1 | 9.8 | 7.0 |
| 198 | 110 | Chapman Bal. 50p | 175 | ..... | 6.5 | 4.8 | 5.3 | 5.9 |
| 73 | 44 | Clay (Richard) | 52 | ..... | 3.0 | 1.9 | 8.2 | (7.5) |
| 95 | 68 | Clondalkin Group | 72 | ..... | [illegible] | [illegible] | [illegible] | [illegible] |
| 21 | 12 | Cradley 20p | 18 | ..... | [illegible] | [illegible] | 4.2 | 7.9 |
| 140 | 97 | Cropper (James) | 127 | +5 | 2.5 | [illegible] | 2.6 | [illegible] |
| 21 | 17½ | Cutter Guard | 19½ | −½ | — | — | — | — |
| 18 | 10 | Delyn 20p | [illegible] | ..... | — | — | — | [illegible] |
| 101 | 75 | DRG | 93 | +3 | 6.0 | 1.5 | [illegible] | [illegible] |
| 73 | 45 | East Lancs. Ppr. | 65xd | ..... | 3.5 | [illegible] | 7.7 | — |
| 225 | 100 | Eucalyptus | 223 | ..... | 6.0 | [illegible] | [illegible] | [illegible] |
| 102 | 68 | Ferry Pick 10p | 101 | ..... | 2.5 | [illegible] | [illegible] | [illegible] |
| 150 | 52 | Geers Gross 10p | 150 | +1 | 4.0 | [illegible] | [illegible] | [illegible] |
| 92 | 74 | ††Harrison Cowley | 83 | ..... | 3.65 | [illegible] | [illegible] | [illegible] |
| 24 | 16½ | M.L.C.A. Hldgs. 5p | 19 | ..... | 0.1 | [illegible] | [illegible] | [illegible] |
| 150 | 93 | McCorquodale 50p | 138 | ..... | ‡7.89 | [illegible] | [illegible] | [illegible] |
| 32 | 22 | Melody Mills | 28 | ..... | ‡1.0 | [illegible] | [illegible] | [illegible] |
| 499 | 308 | Mills & Allen 50p | 470 | +7 | ‡20.0 | [illegible] | [illegible] | [illegible] |
| 130 | 71 | More O'Ferr. 10p | 120 | +7 | [illegible] | [illegible] | [illegible] | [illegible] |
| £13¾ | £10⅝ | Ogilvy & M. $2 | [illegible] | −⅛ | [illegible] | — | 4.7 | — |
| 32 | 15 | Olives Paper 20p | 26 | ..... | — | — | — | — |
| 22 | 12 | Oxley Print Grp. | 16xd | ..... | 0.1 | — | [illegible] | [illegible] |
| 343 | 196 | Saatchi 10p | 340xd | +2 | [illegible] | [illegible] | [illegible] | [illegible] |
| 111 | 83 | Smith (David) 20p | 105xd | ..... | 7.0 | [illegible] | [illegible] | [illegible] |
| *86 | 62 | Smurfit (Jefsn.) | [illegible] | −½ | [illegible] | [illegible] | [illegible] | [illegible] |
| 46 | 24 | Transparent Pap. | 38 | ..... | 0.1 | [illegible] | [illegible] | [illegible] |
| 68 | 40 | Usher Walker 10p | 63 | ..... | 4.07 | 2.5 | 9.2 | 4.1 |
| 25 | 15 | Wace Group 20p | 20 | ..... | 1.44 | 0.3 | 10.5 | — |
| 156 | 80 | Waddington (J.) | 128xd | +2 | 6.0 | — | [illegible] | — |
| 203 | 155 | Watmoughs | 202 | +5 | 5.25 | 3.6 | 3.7 | 8.3 |
| 20 | 12 | Wyatt (W'drow) 5p | 14 | +2 | 0.5 | — | [illegible] | — |

## PROPERTY

| 1981 High | 1981 Low | Stock | Price | + or − | Div. Net | C'vr | Y'ld Gr's | P/E |
|---|---|---|---|---|---|---|---|---|
| 103 | 74 | All'd London 10p | 84 | ..... | ‡1.19 | 2.5 | 2.0 | 26.9 |
| 242 | 212 | Allnatt London | 230 | ..... | 4.4 | φ | 2.7 | φ |
| 28½ | 23¼ | Amal. Estates | 25¾ | ..... | — | — | — | — |
| 125 | 74 | Anglo Metropolitan | 100 | ..... | [illegible] | — | — | φ |
| 175 | 140 | Apex. Props. 10p | 140 | ..... | 2.0 | 1.7 | 2.0 | [illegible] |
| 36 | 29½ | Aquis. Secs. 5p | 32xd | ..... | 0.9 | 1.2 | 4.3 | 22.9 |
| 185 | 165 | Austmark Int. | 170 | ..... | — | — | — | — |
| 343 | 216 | Beaumont Props. | 326xd | −2 | 5.25 | 1.3 | 6.4 | 16.3 |
| 132 | 73 | Bezzer (C.H.) 10p | 132 | −1 | [illegible] | 4.9 | [illegible] | [illegible] |
| 286 | 203 | Berkeley Hambro | 232 | ..... | [illegible] | [illegible] | [illegible] | [illegible] |
| 225 | 183 | Bilton (Percy) | 234 | +2 | 6.9 | [illegible] | 4.8 | [illegible] |
| 252 | 194 | Bradford Prop. | 230 | ..... | 4.0 | 3.7 | 2.5 | 15.3 |
| 108 | 87 | British Land | 98 | ..... | 0.25 | 14.5 | 0.4 | 15.3 |
| £346 | £290 | Do. 12pc Cnv. 2002 | £320 | +2 | Q12% | [illegible] | [illegible] | — |
| 132 | 102 | Brixton Estate | 122 | ..... | 3.15 | 1.4 | 3.7 | [illegible] |
| 128 | 104 | Cap. & Counties | 122 | −1 | 3.4 | 1.8 | 4.0 | [illegible] |
| 132 | 85 | Cardiff Prop. 20p | [illegible] | ..... | 1.6 | [illegible] | [illegible] | [illegible] |
| 30 | 22 | ††Carlton Resi 10p | [illegible] | ..... | 0.5 | [illegible] | [illegible] | [illegible] |
| 200 | 156 | C'ntrovincial 20p | 195xd | +2 | 2.45 | [illegible] | [illegible] | [illegible] |
| 392 | 345 | Chesterfield | 375 | ..... | 6.0 | 1.6 | 2.4 | [illegible] |
| 740 | 549 | Churchb'ry Est. | 725 | +10 | 12.0 | 1.7 | 2.4 | [illegible] |
| 109 | 92 | City Offices | 97xd | ..... | 3.1 | 0.5 | 4.6 | [illegible] |
| 164 | 124 | Clarke Nickolls | 156 | +2 | 4.8 | 0.5 | 4.2 | [illegible] |
| 63 | 44 | Control Secs. 10p | 60 | ..... | 2.5 | 0.5 | 6.7 | [illegible] |
| *64 | 54 | C'ntry New T. 10p | 59xd | +1 | 0.65 | 3.4 | 2.1 | [illegible] |
| 20¼ | 13½ | ‡Crest Int. Secs 10p | 20 | −¼ | — | — | — | — |
| 201 | 157 | Daejan (Hldgs.) | 170 | ..... | 3.25 | φ | 3.1 | φ |
| 540 | 215 | Dares Dev Corp [illegible] | 455 | +1 | Q16c | — | 1.3 | — |
| 27½ | 18½ | Dorset Estates 10p | 25½ | ..... | d1.13 | — | 7.0 | — |
| 105 | 74 | Espley-Tyas | 84 | ..... | t3.92 | 1.2 | 6.7 | 27.4 |
| 151 | 94 | Ests. & Agency | 142 | ..... | 1.0 | — | 1.0 | — |
| 58 | 35 | Ests. & Gen. 20p | [illegible] | ..... | 1.55 | 2.0 | 4.2 | [illegible] |
| 182 | 149 | Ests. Prop. Inv. | 165 | +2 | ‡6.25 | 2.3 | 5.7 | 20.7 |
| 161 | 145 | Evans Leeds | 152 | +2 | 4.0 | [illegible] | 3.8 | 17.5 |
| 158 | 93 | Fairview Ests. 50p | 124 | ..... | ‡5.95 | [illegible] | 4.9 | [illegible] |
| 133 | 88 | Fed. Land | 123 | ..... | 3.35 | 1.7 | [illegible] | 20.9 |
| 48 | 34 | [illegible] | [illegible] | ..... | 0.23 | φ | 0.7 | φ |
| 256 | 215 | Gt. Portland 50p | 233 | −2 | 9.0 | 1.3 | 3.5 | 23.3 |
| 94 | 71 | Green (R.) 10p | [illegible] | ..... | 2.2 | 1.6 | 3.5 | 19.9 |
| 16¼ | 12¼ | Greencoat 5p | 14¼ | ..... | — | — | — | — |
| 207 | 152 | Greycoat Ests. 10p | 179 | +3 | 0.37 | — | 0.3 | φ |
| 669 | 585 | Hammerson 'A' | 650 | ..... | 9.0 | 1.2 | 2.0 | [illegible] |
| 430 | 356 | Haslemere 10p | 430 | ..... | 6.0 | 2.1 | 2.0 | 29.3 |
| 117 | 68 | HK Land HK$2.5 | 104 | −2 | tQ28c | 2.1 | 2.5 | 20.4 |
| 855 | 805 | Imry Property | 855 | +5 | 9.0 | φ | 1.5 | φ |
| 100 | 86 | Jermyn Invest. | 96 | ..... | 1.65 | 1.2 | 2.4 | 45.2 |
| 154 | 78 | Kent (M.P.) 10p | 136 | +1 | ‡1.9 | 0.1 | 1.9 | 9.2 |
| 40 | 26 | Lapmile Est. 10p | 33 | ..... | — | — | φ | — |
| *289½ | 169½ | Laing Properties | 282 | ..... | 4.0 | 1.9 | 2.9 | 27.0 |
| £111½ | £101½ | Do.6¾pcCnv.2000-05 | £103 | +½ | Q6¾% | — | [illegible] | — |
| 69 | 50 | Land Invest. | 61 | ..... | 1.0 | 1.3 | 2.3 | 47.1 |
| 352 | 276 | Land Sec. £1 | 340 | +3 | h7.6 | 1.3 | 3.2 | 35.6 |
| £266 | £208 | Do. 10%Conv.'95 | £250 | +1 | Q10% | 27.4 | f4.3 | — |
| 129 | 74 | Law Land 20p | 121½ | +2½ | φh2.0 | 0.9 | 2.4 | [illegible] |

## PROPERTY—Continued

## SHIPPING

## SHOES AND LEATHER

## SOUTH AFRICANS

## TEXTILES

## TOBACCOS

## TRUSTS, FINANCE, LAND

### Investment Trusts

## INVESTMENT TRUSTS—Cont.

### Finance, Land, etc.

## OIL AND GAS

## OIL AND GAS—Continued

## OVERSEAS TRADERS

## RUBBERS AND SISALS

## TEAS

### India and Bangladesh

### Sri Lanka

### Africa

## MINES

### Central Rand

### Eastern Rand

### Far West Rand

### O.F.S.

### Finance

### Diamond and Platinum

### Central African

## MINES—Continued

### Australian

### Tins

### Copper

### Miscellaneous

## NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- φ Figures or report awaited.
- †† USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ¶ Dealt in under Rule 163(2)(a); not listed on any Stock Exchange and not subject to the listing requirements.
- ¶¶ Dealt in under Rule 163(3).
- Price at time of suspension.
- Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- φ Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- No par value.

B.Fr. Belgian Francs. Fr. French Francs. †† Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. ‡‡ Available only to UK pension schemes and insurance companies engaged in pension business. a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1981-82. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1982. K Figures based on prospectus or other official estimates for 1981-82. M Dividend and yield based on prospectus or other official estimates for 1980. N Dividend and yield based on prospectus or other official estimates for 1981. P Figures based on prospectus or other official estimates for 1982. Q Gross. R Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

## REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

| Stock | Price | + or − |
|---|---|---|
| Albany Inv. 20p | [illegible] | ..... |
| Bertams | [illegible] | ..... |
| [illegible] | [illegible] | ..... |
| Craig & Rose £1 | [illegible] | ..... |
| [illegible] | [illegible] | ..... |
| [illegible] | [illegible] | ..... |
| Higsons Brew. | 67 | ..... |
| [illegible] | [illegible] | ..... |
| [illegible] | 167 | +2 |
| Pearce (C. H.) | [illegible] | ..... |
| [illegible] | [illegible] | ..... |
| [illegible] | [illegible] | ..... |
| Sindall (Wm.) | [illegible] | ..... |

IRISH

| Stock | Price | + or − |
|---|---|---|
| Conv. 9% '80/82 | £93⅝ | +⅛ |
| Nat. 9¾% 84/89 | £85⅝ | +⅛ |
| Fin. 13% 97/02 | £97⅝ | +⅛ |
| Alliance Gas | 65 | ..... |
| Arnott | 280 | ..... |
| Carroll (P.J.) | 92 | ..... |
| Concrete Prods. | 87 | ..... |
| Heiton (Hldgs.) | 55xd | ..... |
| Irish Ropes | 60 | ..... |
| Jacob | 65 | ..... |
| T.M.G. | 25 | −1 |
| Unidare | 80xd | ..... |

## OPTIONS

### 3-month Call Rates

| Industrials |  | Industrials |  | Industrials |  |
|---|---|---|---|---|---|
| A. Brew | 6½ | House of Fraser | 30 | Utd. Drapery | 6½ |
| A.P. Cement | 15 | I.C.I. | 30 | Vickers | 10 |
| B.S.R. | [illegible] | "Imps" | 7 | Woolworths | 6 |
| Babcock | 15 | I.C.L. | 6 | **Property** |  |
| Barclays Bank | 35 | Ladbroke | 30 | Brit. Land | 8 |
| Beecham | 20 | Legal & Gen. | 30 | Cap. Counties | 11 |
| Blue Circle | 26 | Lex Service | 10 | Land Secs. | 37 |
| Boots | 10 | Lloyds Bank | 35 | MEPC | 20 |
| Bowater | 21 | "Lofs" | 4½ | Peachey | 25 |
| Brit. Aerospace | [illegible] | London Brick | [illegible] | Samuel Props. | 25 |
| B.A.T. | 35 | Lucas Inds. | 29 | Town & City | 2¾ |
| Brown (J.) | 9 | "Mams" | 30 | **Oils** |  |
| Burton Ord. | 10 | Mrks. & Spncr. | 11 | Brit. Petroleum | 50 |
| Cadburys | [illegible] | Midland Bank | 25 | Burmah Oil | 16 |
| Courtaulds | 7 | N.E.I. | 6 | Charterhall | 5 |
| Debenhams | 10 | Nat. West. Bank | 38 | KCA | 22 |
| Distillers | 17 | P & O Dfd. | 12 | Premier | 7½ |
| Dunlop | [illegible] | Plessey | 20 | Shell | 50 |
| Eagle Star | 25 | Racal Elect. | 56 | Tricentrol | 30 |
| F.N.F.C. | 3 | R.H.M. | 5 | Ultramar | 40 |
| Gen. Accident | 30 | Rank Org. Ord. | 15 | **Mines** |  |
| Gen. Electric | 50 | Reed Intnl. | 25 | Charter Cons. | 22 |
| Glaxo | 54 | Spillers | 5 | Cons. Gold | 45 |
| Grand Met. | 13 | Tesco | 5½ | Lonrho | 9 |
| G.U.S. 'A' | [illegible] | Thorn EMI | 45 | Rio T. Zinc | 65 |
| Guardian | 35 | Trust Houses | 15 |  |  |
| G.K.N. | 25 | Tube Invest. | 20 |  |  |
| Hawker Sidd. | 27 | Turner & Newall | 10 |  |  |
|  |  | Unilever | 55 |  |  |

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £600 per annum for each security

FINANCIAL TIMES
Tuesday August 18 1981

LAST ITEM OF HOSTAGES DEAL SETTLED

# U.S. pays over $2bn Iran assets

BY DUNCAN CAMPBELL-SMITH

BANK DEPOSITS and international securities worth just over $2bn (£1bn) and formerly held by 12 leading U.S. banks in their domestic branches were yesterday transferred by the Federal Reserve Bank of New York to a Dutch account with a subsidiary of the central bank of the Netherlands.

The transfer enacted the last remaining critical item of the agreement reached on January 19 between the U.S. and Iranian Governments for the release of the 52 hostages then held in Tehran.

Two earlier escrow accounts (in which funds for a deal are held by a third party) were set up in January at the Bank of England and took receipt within days of the agreement of Iranian assets worth $2.24bn held by the New York Federal Reserve Bank and $5.5bn held by the U.S. banks in their foreign branches. These funds were allocated according to the agreement signed in Algiers.

The account set up yesterday through the Netherlands central bank is more politically sensitive, which explains the delay in setting it up. It had originally been scheduled to be established by July 19.

While half of the $2bn was transferred immediately to Iran yesterday, the remaining funds must remain in the ammount, named the Security Account, to provide compensation for U.S. companies where appropriate.

Because the adjudication of these claims is expected to last for several years, management of the Security Account will entail considerable administrative responsibilities.

During the negotiations of the Algiers agreement, the Bank of England made clear to both principal parties that it had no wish to undertake this role in addition to the other escrow accounts.

In the event, the Bank agreed to act as the theoretical holder of the accounts as a stop-gap measure when it emerged in the tense final hours of the Algiers negotiations that the settlement might otherwise have collapsed.

The central bank of the Netherlands, De Nederlandsche Bank NV, agreed in principle to take up the role last June. It has established a subsidiary, NV Settlement Bank of the Netherlands, specifically to act as the depositary of the Security Account and will take its instructions from the Central Bank of Algeria as the escrow agent which is still acting on behalf of Iran.

It is understood that the $1bn in the security account is to be invested in securities outside the U.S. and Iran, a process which began today. The destination of the interest which will accrue has been the most important of a number of difficult issues regarding the account which have been under negotiation between al the parties since July 6.

Those issues directly affecting the Dutch central bank itself have been resolved and include a guarantee from the U.S. Treasury to provide additional liquidity up to $500m in the event that the Dutch authorities should find themselves the subject of demands from any third party which they cannot meet.

But four other issues, including that of the interest earned on the Security Account, remain outstanding and have been shelved for later arbitration. It must be decided how to manage the settlement of counter-claims by Iran against U.S. companies: whether the Security Account can be used to pay out-of-court settlements between them: how the indemnity and administration fees of the Duch central bank will be allocated: and whether the Security Account's interest—to be placed meanwhile in a "suspence account"—will be paid directly to Iran or added to the account itself.

The task of arbitration has fallen to the nine-man tribunal which involves Iranians, Americans and independents. As dictated by the Algiers agreement, it will judge the compensation claims of U.S. companies against Iran.

# Israel may sell U.S. weapons by proxy

By David Lennon in Tel Aviv

ISRAEL, already the world's seventh largest arms exporter, is planning to ask the U.S. administration to agree on certain markets where Israeli weapons could be sold without competition from the U.S.

Mr Yaakou Merider, Israel's Economics Minister told U.S. and European businessmen in Jerusalem yesterday that Israel would also seek to operate as Washington proxy to countries where the U.S., for political reasons, was unable to sell arms.

Mr Meridor named South Africa, Taiwan and the Caribbean "and other countries"—thought to be South American and Asian—as possible buyers of Israeli arms under an agreement with Washington.

The Israeli approach could be made early next month when Mr Menahem Begin, Israeli Prime Minister, visits President Reagan for talks in Washington.

In apparently unprepared remarks to the Israel Bonds Association, an Israeli international fund raising organisation, Mr Meridor said Israel's exports of military hardware last year totalled $1.25bn. But he said the Government planned to raise the level of arms sales to $3.25bn over the next four years.

David Buchan adds from Washington, that while it was not clear whether Mr Meridor was referring to Israeli weapons which use U.S.-made components, the initial U.S. response was that the Reagan Administration was ready to smoothe the way for Israel to sell weapons that contain U.S.-made components to third markets, but only equipment which the U.S. would be prepared to sell to such countries.

The State Department's remarks appear to puncture partly the hope that Israel could act act a U.S. "proxy."

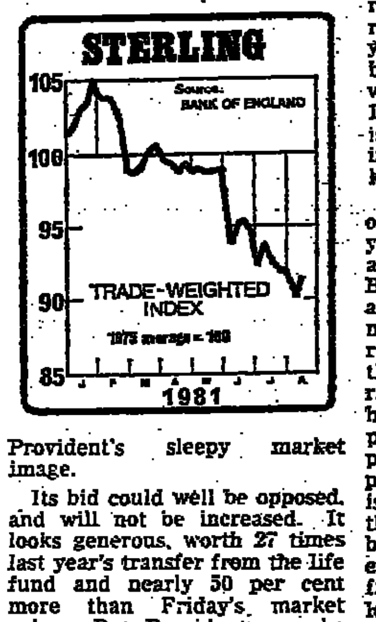
The arms industry in Israel has been developed rapidly in recent years, and exports have shown remarkable growth. Mr Mordechai Zipporio, the former Deputy Defence Minister, revealed recently that exports climbed from $250m in 1977 to $750m in 1979. Sales this year are running well above the 1980 record figure of $1.25bn. Mr Griel Sharon, Minister of Defence, said last week he intended to promote the sale of weapons to increase Israeli economic dependence.

## THE LEX COLUMN

# Royal cuts its U.S. losses

Sterling picked up again yesterday, rising 1.75 cents and 0.4 points on its trade-weighted index. This helped the gilt-edged market to gains of ¾ point and allowed the Government Broker to supply his 1985 tap stock.

Index rose 0.4 to 572.9



### Royal

Royal Insurance has had a remarkably good second quarter in the U.S., and although its figures there are likely to get worse from now on, the group as a whole now looks capable of reporting slightly higher profits for the year as a whole. In 1982, loss reduction in Canada should help to compensate for a continuing downturn in the U.S., and the steady rise in invesment income could produce a further rise in pre-tax profits.

Profits in the first half of 1981 are £5.6m up at £68m pre-tax—no great shakes, perhaps, since the rights issue has boosted investment income by £6.6m. The striking feature, though, is that right against the trend underwriting losses in the U.S. are actually lower than a year ago, leaving a better than average operating ratio of 102.5 per cent. But the ratio seems almost bound to deteriorate by several points over the rest of the year.

Results in Canada, where Royal is the market leader, are still terrible and the same goes for Australia. The UK remains a profitable haven by contrast, and that takes care of nearly a third of premium income.

Premiums in the U.S. are up by 11¾ per cent in dollar terms, compared with only 1½ per cent last year, which is the result of Royal's more aggressive search for new business. And the range of possible U.S. acquisitions has been narrowed down to a handful of companies.

Meanwhile the interim dividend is just 5½ per cent higher, and although the final could go up by a little more, Royal would like to get its dividend cover up to around 2. This year's prospective yield of roughly 9 per cent could be covered roughly 1½ times.

### Provident

A thrill of excitement went through the life insurance sector yesterday as Winterthur of Switzerland bid for the 75 per cent of Provident Life which it does not already own. The bidder's motives are much the same as those which inspired Allianz and Liberty Life to take strategic stakes in Eagle Star and Sun Life earlier this year. It likes the high returns that are available in the UK and the easy regulatory climate. It must also be keen to put some zip into Provident's sleepy market image.

Its bid could well be opposed, and will not be increased. It looks generous, worth 27 times last year's transfer from the life fund and nearly 50 per cent more than Friday's market price. But Provident may be able to pull some rabbits out of its balance sheet — and some 47 per cent of its shares are controlled by its board or its pension fund.

### Drop-lock stocks

The rise in gilt-edged yields since April has choked off the flow of foreign and local authority borrowers who were tapping the sterling bond markets. New borrowers now require ingenuity, and the City of Birmingham has got a £75m bond off the ground by adapting the drop-lock technique successfully used for smaller local authority borrowings.

The essence of drop-lock finance is that a floating rate loan becomes fixed-rate when a certain interest rate trigger point is breached. Previous local authority offerings of this sort have been syndicated among banks, to be passed on to institutions when in fixed-rate form. But Birmingham will be offered for sale to the public at the outset.

The bond will mature in 1986, unless the Parkhurst-like "Locking Event" takes place before then, in which case it runs for seven years from the lock-up in fixed form. This makes it shorter than previous drop-locks, but it is a good deal bigger and more marketable.

The maximum—but rather improbable—life is thus 12 years, and Birmingham is happy since it has managed to have the issue classified as 12-year money for the purposes of computing the average life of its debt. The bond is supposed to offer capital certainty with income protection in the event of a drop in rates, and the borrower is stressing that the fixed-rate trigger—a fall in the par yield on seven-year gilt-edged below 12¾ per cent, which would turn Birmingham into a 13½ per cent seven-year bond—is well within the recent trading range of the gilt-edged market.

But the capital appreciation on gilt-edged to arrive at this yield basis would be considerable, and the investor in the Birmingham bond risks being in a floating-rate stock in a bull market, and locking into a fixed-rate instrument at the top. For those who simply want floating-rate protection, a 1985 Birminghame issue offers an extra ½ point of yield—⅝ rather than ⅛ point over LIBOR, at the same price. The drop-lock mechanism is a compromise, but it is better than a non-existent primary bond market, and may eventually be used to allow frustrated companies to raise long-term debt.

### Guthrie

The Guthrie Corporation is storming ahead with the reorganisation of its activities. In June it announced the sale of its majority holding in Guthrie Berhad for $46m, at an exit p/e of about 20. Yesterday it revealed that it was devoting that cash—topped up by $20m—to buy Page Airways of the U.S. at around 10 times prospective earnings. Page has had its brushes with the anti-trust laws, but Guthrie is satisfied that these problems have been disposed of.

Continued involvement in Berhad would have embarrassed Guthrie, since its holding was scheduled to fall to 49 per cent and thereby set an uncomfortable precedent for the plantations.

Guthrie is now negotiating with the Malaysian authorities on how to reduce its overall plantation holdings to 60 per cent; its aim is to achieve this through the exchange of the 25 per cent stake in the Guthrie parent company held by the state. In the last year or so the group has succeeded in replacing the acerage equivalent that could be lost here through deals in the Philippines, Liberia, China and elsewhere. At the same time the acquisitions of Angus in the UK and now Page are attempts to ensure earnings from which dividends can be freely paid. The share price fell 38p yesterday to 737p, not because the deal looks bad but because a take-over of Guthrie now looks that much less likely.

# Lothian sacks 480 teachers by mistake

By Mark Meredith in Edinburgh

LOTHIAN regional council's Labour leadership met in confusion yesterday after discovering that its decision to stop new spending had unintentionally caused 480 teaching posts to be axed.

This followed last Thursday's council meeting which agreed under strong government pressure to reduce spending by £15m and to cal la moratorium on new spending.

The Government, which wanted the council to cut spending by £30m has cut weekly payments of rate support grant to the council from £3m to £1.5m. This would represent a total of £47m withheld in the full fiscal year.

The Labour group, which had until then steadfastly refused to make cuts, now faces an internal split and the threat of a teachers' strike.

Labour members admitted they had not intended the decision to cause 480 teachers on fixed term contracts to be told immediately that they would not be required for work when the school term starts.

The main teachers' union, the Educational Institute of Scotland, immediately accused the council of betrayal.

Mr Tom Fenton, chairman of the Lothian region of the institute said strike action should be called to secure the return of the teachers' jobs.

Urgent meetings to find a way out were held yesterday among the Labour group with representatives of the eight trade unions representing 33,000 council workers.

Lothian appears to be on the retreat in the clash with the Government over spending—a clash seen as a forerunner of similar spending battles throughout Britain.

Councillor Eric Milligan, chairman of the Finance Committee, said the decision to cut spending had been taken to give the council breathing space to plan its next move and because any new spending might be considered an illegal act by council members, exposing them to court action.

"It is the Scottish Office which has brought the affairs of this council to a halt," he said. "It was not our intention to have this effect on the teachers."

Once news of the council's decision was handed to the council's officials on Friday, Lothian Education Department sent out the notices to teachers.

Mr Milligan said the Labour group was looking at ways to have the moratorium lifted although this would involve a special meeting of the council which is not due to meet again until September 1.

# Oxley Printing Group is put into receivership

BY ROSEMARY BURR

OXLEY PRINTING GROUP, the loss-making printing and platemaking company which has a seven-year contract worth £1m-a-year to print the TV Times, has been put into receivership.

Mr Ian McIsaac, a partner of Touche Ross, the chartered accountants, was yesterday appointed receiver of Oxley, which employs 1,540 people in 13 offices throughout the UK.

Oxley's subsidiaries include Morrison and Gibb, the Edinburgh-based book printer, and Carlisle Web Offset, the Carlisle magazine and newspaper printing company which prints the TV Times, Accountancy Age, General Practitioner and Popular Gardening.

The group has three other divisions: commercial printing at Nottingham and Bournemouth: graphic services at Derby and East Kilbride and reprographic companies in London, Poole, Bristol and Birmingham.

Touche Ross said yesterday, "against a background of substantial losses and in view of the uncertain state of the industry and the already considerable weight of debt, the directors were unable to persuade any of the group's bankers to increase their support."

The group's bankers, which include Lloyds Bank, Midland Bank, National Westminster Bank and The Royal Bank of Scotland, are owed a total of £10m.

Touche Ross says the group will continue to trade where practicable and the receiver will attempt to sell the company on a going concern basis.

The group's borrowings rose sharply in 1980 from £5.7m to £9.9m, partly due to the need to finance capital expenditure of £3.8m committed ahead of the recession.

For the year to the end of December 1980 Oxley made a loss of £2.9m against a pre-tax profit of £674,000 in the comparable period. Interest payments in 1980 amounted to £1.3m.

During 1980 the group embarked on a reorganisation programme, which led to a 22 per cent cut in staff and included the closure of two factories.

Oxley's shares were suspended on Friday at the company's request. At the 14p suspension price the group had a market capitalisation of about £1m.

# Liberal activists told to 'smash' Social Democrats in local polls

BY ELINOR GOODMAN, LOBBY CORRESPONDENT

The Association of Liberal Councillors is telling Liberal Party activists that if the Social Democratic Party tried to intervene in Liberal-held wards, the SDP should be "smashed nto the ground." On no account, the ALC says, should the SDP be allowed to encroach into Liberal-held territory.

The instructions are in the latest issue of the ALC "activists guide," now being distributed to Liberal Party members under the title, Local Elections and the SDP: Tactics for Liberals.

The guide provides the most vivid illustration yet of the difficulties the leaders of the two parties face in trying to implement the alliance—already agreed by the respective leaders—which the Liberal Party conference is expected to endorse next month.

The guidelines relate only to local elections. But if they were applied to the division of seats at a general election they would make an alliance virtually unworkable.

In marked contrast to the guidelines prepared by Mr David Steel and other Liberal leaders — which encourage agreements with the SDP—the ALC guidelines show just how jealous Liberal activists are of the gains they have already made, and how reluctant they would be to step aside for the SDP as some SDP MPs believe they should.

The ALC guidelines state that Liberals should not give away any of the ground that they have built up. This means keeping SDP candidates out of not only Liberal-held wards but also wards which the Liberals have identified as good targets for the party.

The ALC briefing advises term strategy of fighting eleccarry on with their style of politics. "Let us carry on in ours. At best the two might be complementary."

But, in a sentence which reveals the rivalry some Liberals feel with the SDP, the ALC says: "Even better still, they will fail to make much local impact and leave the field to us."

The ALC says that its briefing has "in general terms" the support of the leader of the Liberal Party, and that two of the most controversial sections have been approved by the party's National Executive Committee.

Even so, it seems unlikely that Mr Steel would have given his blessing to the briefing in its entirety.

## Laker

Continued from Page One

£23.5m in repayments of capital and interest falls due early next year.

Sir Freddie is also in talks on the Eximbank-managed loan which was made to help finance the purchase by Laker of 11 McDonnell Douglas DC-10s.

Speaking on the BBC World at One programme yesterday Sir Freddie said: "It is ludicrous for me to volunteer to take a substantial capital loss right on the nose when I can negotiate myself out of it by saying to the bankers 'Let me pay later'."

He added: "We haven't made anyone redundant. We are paying all our creditors. Everything is going normally."

He believed that there was "a good chance" of his proposals being accepted by his bankers.

The man who revolutionised the airline business firmly dismissed any question of his going broke and exclaimed: "Its a question of Freddie Laker trying to hang on to what he's got."

Continued from Page 1

## Lawson

notably on how pay restraint might be achieved. He said that the call for structural reforms in pay bargaining must in a sense mean weakening the trade unions.

He said that reforms should be an "a rational basis" in line with the ideas advocated by Professor James Meade. These proposals essentially mean that any union and any employer can agree on anything they con agree on.

# Polish printers threaten to black propaganda

BY LESLIE COLLITT IN WARSAW

THE Polish Government and Solidarity, the independent union, yesterday looked set for a further confrontation with a threat by printers to halt publication of all government-controlled newspapers for two days this week.

Printers who are members of Solidarity said the strike would affect Wednesday and Thursday newspaper editions. The action is in protest against what Solidarity terms attacks by the government-controlled media on the union and to press Solidarity's demands for greater access to radio and television.

A full-scale stoppage would deal a blow to the Polish Government's control of the press and broadcasting, which is regarded in all Communist countries as a central plank of party rule. The printers' decision comes only a day after a possible confrontation was averted when a march on Warsaw was called off. It was to protest against the detention of political prisoners.

Student organisers of the march, which was due to start yesterday, said they were heeding the opposition to the demonstration expressed by Solidarity and the Polish Catholic church. The march was to have demanded the release of four nationalists, whose trial resumed yesterday on charges of plotting to overthrow the government.

Printers in Warsaw were preparing last night to stop work on supplements for the mid-week newspapers. A full-scale stoppage can only be averted by a decision of Solidarity leaders who meet in Katowice in Eastern Poland today.

The union has complained that government attacks against Solidarity in the media have reached a high pitch since talks between the two on economic reform broke down earlier this month. The union says it has no way of replying to the charges because the government controls the media. Solidarity has been granted some programme time.

The printers also appealed to the population not to buy newspapers during the strike as they said it was possible the government might try to produce papers using non-Solidarity union labour. But newspaper deliveries as well as kiosks selling papers said they would also join the strike.

Aid from France, Page 2; Editorial comment, Page 12

## Weather

UK TODAY

DRIZZLE in Wales, N. and Central England but otherwise mainly dry.

**London, S. and S.E. England, Channel Islands**
Dry and sunny, becoming cloudier. Max. 23C.

**Midlands, E. Anglia, S.W. and E. England**
Mainly cloudy with some drizzle. Max. 20C.

**Wales, Lake District, N. England**
Cloudy with drizzle, becoming brighter. Max. 19C.

**Isle of Man, Borders, Edinburgh, Dundee, Aberdeen, Glasgow, Moray Firth, S.W. Scotland, N. Ireland**
Mainly dry, sunny intervals. Max. 16C.

**Highlands, N.E. and N.W. Scotland, Argyll, Orkney, Shetland**
Sunny intervals with occasional showers. Max. 17C.

**Outlook:** Mostly dry with sunny periods, occasional rain in Scotland and N. Ireland.

WORLDWIDE

| | | Y'day midday °C | °F | | | Y'day midday °C | °F |
|---|---|---|---|---|---|---|---|
| Ajaccio | F | 27 | 81 | L. Ang.† | | — | — |
| Algiers | S | 27 | 81 | Luxmbg. | C | 15 | 59 |
| Amsdm. | F | 17 | 63 | Luxor | S | 40 | 104 |
| Athens | F | 32 | 90 | Madrid | F | 31 | 88 |
| Bahrain | S | 36 | 97 | Majorca | S | 27 | 81 |
| Barclna. | S | 27 | 81 | Malaga | S | 28 | 82 |
| Beirut | S | 32 | 90 | Malta | S | 30 | 85 |
| Belfast | C | 17 | 63 | M'chstr | F | 17 | 63 |
| Belgrd. | S | 30 | 86 | Melbne. | F | 13 | 55 |
| Berlin | C | 16 | 61 | Mx. C† | | — | — |
| Biarritz | C | 21 | 70 | Miami† | R | 24 | 75 |
| Bmghm. | F | 19 | 66 | Milan | F | 27 | 81 |
| Blackpl. | S | 17 | 63 | Montrl.† | R | 12 | 54 |
| Bordx. | C | 21 | 70 | Moscow | F | 26 | 79 |
| Boulgn. | F | 17 | 63 | Munich | F | 16 | 61 |
| Bristol | S | 19 | 66 | Nairobi | C | 25 | 77 |
| Brussels | F | 16 | 61 | Naples | S | 17 | 63 |
| Budpst. | F | 20 | 68 | Nassau | | — | — |
| Cairo | S | 34 | 93 | Nwcstl. | | — | — |
| Cardiff | S | 19 | 66 | N. York† | S | 16 | 61 |
| Cas'b'ca | S | 23 | 73 | Nice | S | 28 | 82 |
| Cape T. | S | 16 | 61 | Nicosia | S | 28 | 82 |
| Chicg.† | C | 14 | 57 | Oporto | S | 21 | 70 |
| Cologne | C | 17 | 63 | Oslo | S | 21 | 70 |
| Cpnhgn. | S | 20 | 68 | Paris | S | 20 | 66 |
| Corfu | S | 32 | 90 | Perth | S | 18 | 64 |
| Denver† | S | 13 | 55 | Prague | F | 16 | 61 |
| Dublin | C | 20 | 68 | Rykvk. | R | 11 | 52 |
| Dbrvnk. | S | 27 | 81 | Rhodes | S | 27 | 81 |
| Ednbgh. | C | 16 | 61 | Rio J'o† | | — | — |
| Faro | S | 25 | 77 | Rome | S | 28 | 82 |
| Florence | S | 30 | 86 | Salzbrg. | C | 17 | 63 |
| Frankft. | F | 17 | 63 | S'cisco† | C | 12 | 54 |
| Funchal | F | 24 | 75 | S. Mrtz. | | — | — |
| Geneva | S | 23 | 73 | Singapr. | | — | — |
| Gibrltr. | S | 27 | 81 | S'bag† | | — | — |
| Gl'sg'w | C | 14 | 57 | Stckhm. | R | 13 | 55 |
| G'rnsey | S | 18 | 64 | Strasbg. | F | 19 | 66 |
| Helsinki | C | 14 | 57 | Sydney | S | 22 | 72 |
| H. Kong | C | 31 | 88 | Tangier | S | 27 | 81 |
| Innsbrk. | R | 19 | 66 | Tel Aviv | S | 29 | 84 |
| Inverns. | R | 11 | 52 | Tenerife | C | 25 | 77 |
| I.o.Man | F | 17 | 63 | Tokyo | | — | — |
| Istanbul | F | 29 | 84 | Toronto† | F | 12 | 54 |
| Jersey | S | 20 | 68 | Tunis | S | 30 | 86 |
| Jo'burg | | — | — | Valencia | S | 32 | 90 |
| L. Pims. | C | 25 | 77 | Venice | C | 23 | 73 |
| Lisbon | S | 28 | 82 | Vienna | C | 19 | 66 |
| Locarno | F | 27 | 81 | Warsaw | C | 17 | 63 |
| London | S | 21 | 70 | Zurich | F | 17 | 63 |

C—Cloudy F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

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